

(Third Day)

PUBLIC HEARING

before

*n.f. Legislature*  
SENATE COMMITTEE CREATED UNDER SENATE RESOLUTION NO. 4 (1958)  
AND RECONSTITUTED UNDER SENATE RESOLUTION NO. 3 (1959) TO  
INVESTIGATE THE COST OF GARBAGE COLLECTION AND DISPOSAL.

Held: January 30, 1959  
Senate Chamber  
State House  
Trenton, New Jersey

TESTIMONY OF: FRANK MIELE, JR. (Page 1)  
ALFRED J. LIPPMAN (Page 30 & 1-A)

MEMBERS OF COMMITTEE PRESENT:

SENATOR WALTER H. JONES (Chairman)

ALSO:

NELSON G. GROSS, ESQ.,

DAVID W. HANIS, ESQ.,

Counsel to the Committee

WILLIAM BLOHM, JR.

Deputy Attorney General  
as an observer

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M966 copy 1  
1959  
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(Fourth day)

P U B L I C      H E A R I N G

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AND RECONSTITUTED UNDER SENATE RESOLUTION NO. 3 (1959)) TO  
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Held: February 3, 1959  
Senate Chamber  
State House  
Trenton, New Jersey

TESTIMONY OF:      ALFRED J. LIPPMAN      (Page) 1  
FRANK MIELE, JR.      1-A  
GEORGE KATZ      6-A  
FRANK MIELE, SR.      41-A

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SENATOR JONES: Will the record note that this is a continuance of a hearing from Wednesday's date to today's date, Friday, the 30th, and that examination of the witness Frank Miele, Jr. continues under oath.

FRANK MIELE, JR., being previously sworn, resumed the stand.

MR. GROSS:

Q Mr. Miele, did you ever have a meeting with any other member of the independent group concerning the stops on Route 22 and any other third party?

A Yes. A meeting of that nature did take place with myself, Crescentville, John Serratelli and a Mr. Andrew Arace.

Q Now about when was this?

A This was in October or November of 1956.

Q And where was this meeting?

A This meeting took place in John Serratelli's office at union headquarters, on Second Avenue in East Orange.

Q Now, can you tell us how you happened to be there?

A Well, that's a very broad question.

Q Well, in other words, were you called up or did you just go on your own business?

A No, Mr. Arace was asked to come to the office and he asked me if I would accompany him to a particular meeting that was going to take place with Serratelli and Roselle.

Q Did Arace tell you who had asked him?

A Well, he said something to the effect that "I have to go see Johnny," meaning John Serratelli, "and Cush about the stops on Route 22."



Q Now, did you go there with Arace? A Yes. Arace and I left my office together and we went together to John Serratelli's office.

Q Who were the people present when you got there? Well, when we first walked into the office, Dan Tortorello, the union employee, was in the office, and we went directly to Mr. Serratelli's rear office and I don't remember precisely whether or not Mr. Roselle was there at that exact minute, but I remember correctly, we were there first and a few minutes thereafter Mr. Roselle came in.

Q Now, was John Serratelli there? A Yes, he was.  
SENATOR JONES:

Q All right. Now, let's enumerate who was there. John Serratelli, myself, Andrew Arace and Crescent Roselle, Mr. Serratelli's private office.

Q What about Frank Capassa, wasn't he there? A No, was not.

MR. GROSS:

Q By the way, this was in John Serratelli's own individual office this time? A Correct. In the union headquarters.

Q And he was in the same room with you? A Oh, yes.

Q And talking to you? A Yes.

SENATOR JONES:

Q This is a private office in union headquarters that John Serratelli's private office? A That is correct, sir.

Q And have you fixed this with a date? A Yes, in about October or November of 1956.

BY MR. GROSS:

Q Who started off the talking?

A Well, I believe John Serratelli started off the talking with regard to what was going to be the outcome between Roselle and Arace with regard to the stops on Route 22 that there were some dispute about.

Q Can you tell us which stops they were?

A Off-hand I do not recall exactly which stops they were. They were stops that had previously been purchased by Mr. Arace from a foreman who was employed by Iommetti and Sons when Iommetti and Sons had the Township of Union contract.

Q I see. Now, was there any response to Serratelli's question?

BY SENATOR JONES:

Q I want to stop there. You mean that these accounts had suddenly become free and available for being assigned?

A No, Mr. Jones. What happened, if I remember correctly, is that when Mr. Roselle was the successful low bidder on the Union Township contract and Iommetti and Sons were finishing up the period of time that they had to go on the contract, Mr. Arace purchased a number of accounts from a foreman who was employed by Iommetti and Sons who was actually receiving the money from these accounts on Route 22. He was servicing the accounts with Iommetti's equipment, but he was receiving payment from the accounts directly from the customer. And he was no longer going to be employed in the Township of Union by Iommetti - he had to get rid of the accounts - so he sold the accounts to Arace.

SENATOR JONES: Let's stop there for a minute.  
(Short recess.)

BY MR. GROSS:

Q What was the response to Serratelli's original question?  
What was said after it?

A The response was by Mr. Roselle that a meeting had taken place previous to this particular meeting where the Private Scavengers' Business Association Executive Directors had awarded the particular account in question to Mr. Andrew Arace and Mr. Roselle did not like the decision that was rendered.

Q Who had made this award?  
A The award was made by the Executive Directors of the Private Scavengers' Business Association to Mr. Arace.

Q Were you at the meeting?  
A Yes, I was.

Q Let's get back to that and decide how it was made apparent or how this award was given to Arace.  
A Arace came to the committee.

Q This is while you were still --  
A -- president of the organization. He came with a complaint to the Directors of the organization of this whole incident where he had purchased stops from Iommetti's foreman and that Roselle was about to start the job in Union Township and that Roselle didn't want him to have any accounts on Route 22 and that he was going to have to relinquish the accounts to Roselle. This was Arace's complaint. We decided to call the interested parties in, namely, Mr. Roselle and Mr. Arace, before the Executive Directors of the Private Scavengers' Business

Association and thrash the thing out and we did that.

Q You mean Roselle was called in? A Oh, yes, he was called in.

Q When was this? A This was previous - before we had the meeting with John Serratelli.

Q In other words, some time in early October of 1956 or early fall of 1956? A Early fall of '56, I would say.

Q Who was present when Roselle was called in - the full membership? A Not the full membership, but the Executive Directors, namely, myself, Fred Cosenza, Angelo Mauriello, Anthony Pinto, Bruno Intura. I think that was about the size of the people that were on the Executive Board.

Q What happened at that meeting? A We thrashed the thing out. We let Mr. Roselle --

BY SENATOR JONES:

Q May I ask you one question? A Yes, sir.

Q Under the contract that was to be Roselle's, did he have exclusivity under that contract to pick up all the home and industrial or business waste in the town or did he just have the right to pick up the home? A I may be wrong, Senator, but I was under the impression that the contract was limited to residential dwellings and that he had the right to pick up commercial and industrial dwellings, but charge them a fee for the service, but it was not an exclusive privilege.

Q So that he didn't have then within your knowledge a contract with a supporting ordinance that made him the

exclusive collector of garbage within that municipality?

A To my knowledge, that is correct.

Q So that, as it relates to the business and industrial accounts, as far as the town was concerned, this was a private arrangement that the business or industrial account could make with any scavenger, including the scavenger who happened to be picking up the town?

A That is correct.

Q So that your meeting with Roselle at the Independent Association meeting was for the purpose of determining on his demand or request whether he was going to pick up exclusively or not?

A In this particular instance in regard to Arace, yes.

Q So you in this particular instance were in effect by virtue of your position in the Independent Scavengers' Association, you were in effect some type of a negotiator between Roselle and Arace in connection with Roselle's demand that Arace get out of town?

A That is correct, sir.

SENATOR JONES: Proceed, counsel.

BY MR. GROSS:

Q Now, we are at the meeting; what actually transpired at the meeting?

A We allowed Mr. Roselle to state his version and his side of the particular disagreement.

Q What was Mr. Roselle's version, as stated? A His version was that as long as he had to pay for the right to dump Union garbage in the Elizabeth dump for the entire population of Elizabeth -- or of Union Township, he felt that he was justified in having all accounts in the Union Township area, including Route 22. That was about the size of his argument.

BY SENATOR JONES:

Q That was the gist of his argument. A -- for wanting the accounts. That's correct.

BY MR. GROSS:

Q Was any other version of what had transpired stated - Mr. Arace's position?

A Mr. Arace stated that he had purchased the accounts from Mr. Iommetti's foreman and he felt that if the accounts were to be given to Roselle, he should be reimbursed for the amount of money that he paid Iommetti's foreman or that Mr. Roselle should reimburse him in accounts of the same quality and same monetary value as he was receiving.

Q And that was the substance of his position? A Correct.

Q Was there some decision or some deliberation by your committee?

A Yes. The committee deliberated, I think, for fifteen or twenty minutes and we reached the decision that we felt was just that we award the particular accounts in question to Mr. Arace, due to the fact that he had legitimately received the accounts by purchasing them from Iommetti's foreman, and that there should be no remuneration or monetary exchange between he and Mr. Arace.

Q Now, was everyone satisfied with this decision?

A Everyone was satisfied except Mr. Roselle.

Q Did he say anything?

A Yes. He said that he had attended the meeting solely out of respect for the organization, to help it build and help it gain strength and get teeth in the industry, but as far as he was concerned with this particular decision, he was not going to abide by it in any way, shape or form and that he was going to appeal it and the only appeal

that he could have would be to John Serratelli.

Q All right. Now, how much later was Arace summoned in to John Serratelli's office on this appeal? A I would say a week to ten days at the absolute most.

Q Now, we are back at the meeting. What was said by the parties after John Serratelli opened the conversations?

A The same generalized statements - Mr. Roselle pleaded his case to John Serratelli and Mr. Arace pleaded his case to John Serratelli.

Q In other words, this was conducted as an actual appeal and John Serratelli was sitting there as the arbiter?

A As the judge. That's right.

Q -- as the judge. A That's right. And after Mr. Serratelli deliberated for a maximum of 16 seconds, he turned to Cush Roselle and said "All right, Cush, what is it that you want me to do?" and Cush said "I want the man off Route 22 or if he doesn't pick up any stops on Route 22, I want him to pay me -- I'll let him pick up the stops on Route 22, but he is going to have to pay me for dumping the garbage in the Elizabeth dump as long as he wants to dump in the Elizabeth dump."

Q As long as who wants to dump, Roselle? A "As long as Arace wants to dump in the Elizabeth dump, he is going to have to pay me for that privilege."

Q Even though Roselle did not own the Elizabeth dump.

A That's correct.

BY SENATOR JONES:

Q In other words, Arace would be paying in effect two

dumping fees?           A To my knowledge at that time he would be paying two dumping fees, one directly to the operators of the Elizabeth dump, and one to Mr. Roselle.

BY MR. GROSS:

Q The operator of the Elizabeth dump was Fereday and Meyer?           A That's correct.

Q Now, that was the decision as announced. Was there some discussion after that?           A Only between Mr. Arace and myself that we felt that it was an unfair decision. But there was no other alternative but to abide by it. Mr. Serratelli's word was law.

BY SENATOR JONES:

Q Let's understand that. Serratelli said to Arace what, after Arace found out that he either had to quit or else pay a fee to Roselle?           A When Mr. Arace was given the two choices --

Q Serratelli said "Now, you do one or the other"?  
A That's right. Serratelli left it to Roselle and Arace to decide which decision was of mutual agreement. I believe that the same day or the following day a decision was reached between Arace and Roselle whereas Arace would continue to pick up the accounts on Route 22 that he had purchased and that he would pay Roselle for the dumping privilege in the Elizabeth dump.

BY MR. GROSS:

Q Do you know of any after effect of this? Did he actually do that?           A Yes, he actually did that.

BY SENATOR JONES:

Q So he continued to pick up his own accounts then?



A Yes. That's correct.

Q Did any war break out between them on pirating each other accounts during this period to your knowledge?

A Well, to my knowledge right at that time or shortly thereafter, no. There was a short period of peace because there was no other alternative but to keep peace, just bite your lip and walk away from the thing. But, shortly thereafter --

Q When Serratelli said to Arace "Now, this is it, Arace, you can either decide to quit or pay Roselle dumping fees for the Elizabeth dump," which is not exactly what you said, but which I think in substance is what you said -- A In essence, that's right; you are correct.

Q -- did Serratelli give any indication at that time to either of these gentlemen what he would do in the event that the order that he had just issued was not followed?

A No. He gave no sign, verbally or otherwise, of what the outcome would be in the eventuality that Arace did not follow his orders. But, it was most assuredly understood that if they were not obeyed, Arace could not dump garbage in the Elizabeth dump or possibly any other dump at that particular time, and as a matter of fact, I believe that Mr. Arace was stopped on three or four occasions by Mr. Roselle from dumping garbage in the Elizabeth dump. And at one time, Mr. Arace came to me in tears, begging me as the president of the Private Scavengers' Business Association, to get him a place to dump because his trucks had just been stopped and I, in turn --

Q Stopped where?

A Stopped at the Elizabeth dump.

Q Why?

A For some sort of a dispute that occurred

between Roselle and him, that Roselle enforced the stoppage of his trucks at the Elizabeth dump.

Q Who was it that stopped him, do you know? A I don't know, Senator, no.

Q Was it Roselle or was it the owner of the dump?

A I think that perhaps it may have been the owner of the dump at Mr. Roselle's request.

Q The dump was in Elizabeth? A Yes.

Q Do you have anything more to say about the series of these meetings in addition to their outcome? You have testified I think to two meetings and you have testified to the effect that an order was issued that settled the subject matter and that thereafter there were some difficulties which ended up in there being a temporary stoppage of dumping. Now, is there anything else - any other incidents that surround this particular circumstance or was there any aftermath of this particular circumstance? A Not that I can recall, Senator. I think that was about the whole thing in a nutshell. The situation eased off. Mr. Arace eventually got himself a little tract of land, either himself directly or someone involved with him, a little tract of land for dumping garbage in Cartaret, and when he secured that right to dump garbage in Cartaret, then a general feeling of illwill came out in the open between he and Mr. Roselle.

Q Oh, you mean, as soon as he freed himself of the control that was exerted over him by his dumping necessities, then this question of dispute over accounts flared out anew?

A That is correct.

Q And do you know anything about those circumstances?

A No, I don't, Senator. Truthfully, I do not.

BY MR. GROSS:

Q So that the record can be straight, are there two Araces?

A There are two brothers.

BY SENATOR JONES:

Q Now, which one have you been talking about?

A I am talking about Andrew Arace.

Q And he is a private scavenger?

A Yes, he is.

Q Not a public contractor for garbage?

A No, he is not.

Q Did he have any position in your association during the existence of that association?

A No executive position, but he was a member.

Q A dues-paying member?

A Dues-paying member.

BY MR. GROSS:

Q While we are talking about the Elizabeth dumping area, was there any information that you received at any time from any source about Roselle's actions in Elizabeth bidding?

A No. I don't recall any information.

Q Did your father ever tell you anything about the Elizabeth bidding situation with Fereday and Meyer and Roselle?

A No. We just had general discussion in regard to what the price of the job would go for and general competition with regard to the job and no further discussion.

Q Did your father ever tell you that Serratelli had spoken to him about Elizabeth and about what Roselle had done

there? A I don't recall at this time, Mr. Gross, any conversation like that between my father and myself.

Q He never told you that he had spoken to Serratelli or was told anything about that job after the bid? A I don't recall it, Mr. Gross.

(Discussion off the record.)

BY MR. GROSS:

Q Let me see if I can refresh your memory on the Elizabeth bid. Do you remember when the bidding took place between Fereday and Meyer and Roselle in Elizabeth? A This contract that you are referring to, this bidding that you are referring to, is it this last bid where Mr. Roselle was the successful bidder?

Q Yes. Do you remember that sometime after that bidding, your father told you that he had been called in to see Serratelli about wage rates? A Oh, yes.

Q Will you tell us about that? A Well, that was around - after the bidding was entered in Elizabeth and before the time that the new wage increase of \$104 and \$114 went into effect. I think that my father had a discussion. He mentioned a discussion to me that he had had with John Serratelli in regard to the wage demands of \$104 and \$114 and, in effect, as he related the conversation to me that he had with Serratelli, he said that he questioned Serratelli in regard to ---

Q Well, was he called in to see Serratelli? A I don't know whether he was called in or whether he went down voluntarily. I think he just went down voluntarily to see if he could negotiate these terms of \$104 and \$114.

Q In other words, this relates to the situation wherein Serratelli and the union had been setting the demands of \$104 and \$114 for quite some time and this was the first time that he wanted to enforce them?

A That's correct.

BY SENATOR JONES:

Q Just a minute. You are talking about the Elizabeth contract or bid. How would you describe the circumstances surrounding the Elizabeth bid?

A By description, what do you mean, Senator? I mean, how I personally felt about it?

Q No. You knew that Elizabeth was letting bids for the collection of garbage.

A I knew Elizabeth was coming out on bids.

Q You knew that.

A Yes, certainly.

Q That was a matter of common knowledge within the trade, wasn't it?

A Yes.

Q It was a big contract, wasn't it? A Yes. If you followed that particular job as I have done, you watched for the advertising in the paper and you just knew that it was coming up.

Q And you followed that?

A I was interested in it, yes.

Q And you followed the bid from the time that it came up until it was ultimately disposed of too, didn't you?

A Yes.

Q And you know what happened in connection with that bid, don't you?

A I know that Roselle was the successful low bidder on it and I think I know what you are driving at now by description. I was quite shocked --

Q I don't want to lead you. I am just asking you a direct question.

A No, you are not leading me. I am just volunteering this information to save the committee time. I was very shocked personally to see that someone had underbid Fereday and Meyer after Fereday and Meyer had been in the community so many years since I have been a boy. I was really shocked, and particularly shocked when I saw that it was Mr. Roselle's firm who had been the successful low bidder.

Q Now, what would there be that would occasion shock to you in the scavenger business about one man, one company, underbidding another company for the collection of garbage. What is shocking about that?

A In this particular case, it shocked me because Mr. Roselle had to my definite knowledge some definite business relationship with Fereday and Meyer in regard to their dump in Elizabeth, that they were very close businesswise. He certainly had a deal with him in regard to the dump in Elizabeth relating back to the Arace thing. He was dumping his garbage from Union Township at that time in the Elizabeth dump and it just seemed funny to me. I said "Here is a guy that is dumping garbage in Fereday and Meyer's dump and he goes and takes Fereday and Meyer's job." That is why it shocked me.

Q Were there any other reasons for shock? A No.

SENATOR JONES: All right. Proceed, counsel.

BY MR. GROSS:

Q Well, going back to the conversation that you had with your father when he was called in to see Serratelli or went in voluntarily - we don't know which - to find out why for the

first time this wage demand was being enforced strictly, continue on and tell us what your father told you about this meeting with Serratelli.

A Well, my father quoted to me that John Serratelli said to him, he said "There is not a thing I can do about it. There is going to be no negotiation with this contract in regard to wage demands. I am going to make this wage standard throughout the industry and particularly now because I've got a bone to pick with a certain contractor." And I believe that he had in his mind Roselle.

Q Now, when you say first of the year, this would be January 1st of '58.

A That's correct.

Q -- after the recent bidding on the Elizabeth job.

A Correct.

Q Now, was any other phraseology used by your father in describing what Serratelli had said other than "bone to pick"? Is that it?

A I don't recall any other phraseology that was used at that particular time. I can't remember anything else that was said at that time.

Q But one point that was made clear was that Serratelli was enforcing this throughout the industry because of what Roselle had done in Elizabeth.

A That's correct.

BY SENATOR JONES:

Q So that in effect are you saying that your father got a wage rate of \$104 to \$114 per man and that everybody else got a wage rate of \$104 to \$114 per man because there had been an argument and a squabble over what happened in Elizabeth?

A No, I wouldn't try to give the committee that impression because it had been generally known over a period of at least

a year that I knew of that these wage demands were going to be eventually enforced; these high wage demands of \$104 and \$114 were eventually going to be enforced.

Q All right. That was to be in a year hence.

A Correct.

Q Up until that time and for all the period prior to that time, is it not true that Serratelli in negotiating with various contractors had different wage rates under the contracts with different garbage contractors?

A Yes, that is true.

Q So that in effect, one contractor might have a \$50 to a \$58 - and I don't know whether these classifications are accurate. Mr. Roselle, I think, testified to \$40, \$45, \$50, \$52 and so forth and I don't want you to be misled by the amounts. So this is what I am saying: So that in effect - or is it true that in effect one garbage contractor might be picking up garbage under a contract which would be entirely similar to another contract, but that the wage rates between the two garbage contractors would be different?

A To my knowledge that is correct, and I think that the explanation in regard to that is the fact that all garbage jobs and all union contracts did not expire at the same time and, for example, where Serratelli might have insisted on a \$65 wage for an East Orange job in 1955, as an example, and a contract was signed in 1955 for the period of time that the garbage job was in effect, the following year in 1956 he might negotiate with another contractor for a wage of \$70. The wages would continually rise regardless. I think that is perhaps the reason



why the differences occurred in the wage labor rate up until the time of 1958 when he said that he was going to make that wage of \$104 and \$114 constant in the industry, regardless of when the garbage job was to expire or regardless of when the garbage job was to be over with and regardless of whether or not you had figured the job on \$104 and \$114.

BY MR. GROSS:

Q It was about this time, wasn't it, that the Elizabeth situation was being investigated by the Union County Grand

Jury? A I think it was after the job had been awarded.

Q Around the beginning or early part of 1958.

A Yes.

Q Now, going to where we cut off Wednesday evening, I think we had reached the point where you had a meeting about the Belleville job in the office of Viola. A I didn't have a meeting, Mr. Gross. It was a meeting and ---

Q There was such a meeting and you were present?

A Yes.

BY SENATOR JONES:

Q If he says he didn't have a meeting, let's find out how he got to the meeting. How was it that you were present?

A I believe it was at the request of Mr. Serratelli that we meet at Mr. Viola's office to discuss wage negotiations in regard to the upcoming Belleville job, which was, incidentally, to come off that very evening, before the bids went in to the job.

Q How would it be that you were invited? Were you going

to bid the job?

A My father's concern was going to bid the job.

Q All right. So that you were interested then as a bidder, as a prospective bidder, and Serratelli knew this, is that right?

A Yes.

Q Now, how did he know?

A I have no idea, Senator Jones. I think that perhaps it might be of public record when specifications are taken out.

Q Were there pre-qualifications here?

A I believe on this particular job there were pre-qualifications. Yes, there were.

Q So that you applied to the clerk's office for the pre-qualifying forms and left your name?

A Yes. You applied for a set of questionnaires to be filled out if you are going to bid the job. And after you fill out the questionnaires, you return the questionnaires to the municipality. The municipality in turn sees whether or not you can qualify by reading the questionnaire and at times they even come around and look at your equipment to see that it meets their ordinances and the state ordinances in regard to the health ordinances and they in turn, if they feel that you have qualified, then they give you the specifications and bid forms for the job.

Q Right. And you leave your name usually, don't you? Isn't that the procedure, to leave your name with the clerk?

A I believe in 90 per cent of the cases you are required to leave your name.

Q Yes. That is as I understand it. So that you had done this?

A Yes, sir.

Q So that on the basis that your father and that you as your father's employee at that time - you were called to this office to a meeting in Belleville for the purpose of discussing the Belleville bid which was to take place that night or the night thereafter? A I believe it was that same night.

Q All right. Now, where did the meeting take place in Belleville? A It took place in Mr. Viola's office on Washington Avenue in Nutley.

Q Which Mr. Viola? A I believe it was Thomas Viola's office.

Q All right. And who told you to attend the meeting? A I don't remember, Senator. I just know that I was to go to that office for a meeting.

Q O.K. Now, have you told counsel who was there? A Yes, I think I related that.

Q Well, let's get it down. A To the best of my knowledge, I was there, Joseph Cassini was there, Lorenzo Pucillo was there, Thomas Viola was there.

Q Now, wait a moment. Cassini, Pucillo -- A Thomas Viola, John Serratelli.

Q Yes. A One of the Roselle's, either Crescent or Archie Roselle.

BY MR. GROSS:

Q Did you say one of the Capassa's yesterday? A I don't think any of the Capassa's was there. One of them may have been. I don't definitely recall if they were there. The

ones that I named are the ones that I remember.

BY SENATOR JONES:

Q Well now, let's find out. That may refresh your memory.

SENATOR JONES: Elam, do we have a list of the bidders?

MR. ELAM: Mr. Hanis has that in his file, Senator. He will be here later this morning.

Q My memory has been refreshed by counsel here, Mr. Miele. As a matter of fact, two Capassa's bid that contract.

A Well, if they bid the contract, then I would guess that they might have been at the meeting. I truthfully do not recall at this time seeing them there. The men that I mentioned I remember definitely seeing there by placing them with various landmarks in the office at that time.

Q Well, do you know Tom Capassa or whatever his name is? What are Capassas' names?

MR. GROSS: Frank.

Q Do you know Frank Capassa? A The son I know, yes, Frank Capassa, and the father, Tom, I know.

Q Do you know the other son? A No. I don't believe I ever met him.

Q So that first we start out on the premise then that it was either Frank or his father that would have attended this meeting because you don't know the other fellow? A That's correct.

Q Now, in all fairness to Capassa, you are at this moment unrefreshed completely on whether they attended the meeting or not, the two that you mentioned. A That is correct,

Senator.

BY MR. GROSS:

Q Now you were at the Viola office in the afternoon, was it? A No. This was in the evening.

Q In the evening -- A Yes.

Q -- about how much previous in time to the actual bidding? A An hour or an hour and a half previous to the bidding.

Q And all of these people there, with the exception of Serratelli, were prospective bidders on the Belleville job as far as you knew and planned to go, and in fact, did go to the bids? A Yes.

Q All right. Now, who opened the discussions?

A Well, John Serratelli opened the discussions to insist that this new wage demand of \$104 and \$114 was going to go into effect on this particular contract and that we make sure that the figures that we enter in on this particular job include that cost of labor, that we were not to figure our labor for anything less than \$104 and \$114 a week on this particular job.

SENATOR JONES: Now, may I interrupt for a moment, counsel, and ask this question?

BY SENATOR JONES:

Q Had Serratelli ever within your knowledge called such a meeting of this kind before in connection with his wage demands? A To my knowledge, not a mass meeting of

this sort, no.

Q So this then was of novel impression to you as it relates to this type of a meeting to talk about a wage demand?

Maybe you don't understand what I mean by novel impression.

This had never happened to you before, had it?      A    It had never happened to me before, no.

BY MR. GROSS:

Q    Now, after Serratelli had opened the discussions with that point, what happened thereafter?      A    Well, there was quite a bit of argumentative discussion as to who didn't think it was right, who didn't think it was fair, Belleville was a nice sized job and it could be done for a much lesser price as long as we didn't have to pay these high labor demands, and discussion to that nature, of a convincing nature, to try to convince Mr. Serratelli not to make these exorbitant demands of the contractors in asking for this high labor rate.

Q    Well, was he convinced?    What did he say about this?      A    He would not become convinced.    He just wouldn't listen to reason, as I remember it, and he insisted that the figures that we put in on that job include this high cost of labor.

Q    Was that phase of the discussion then ended?

BY SENATOR JONES:

Q    Just a minute.    Was there anybody that did not argue against the \$104 - \$114 demand?      A    To my knowledge, Senator, everybody was quite upset by it.

Q    In other words, all of the people that attended --      A    Yes, sir.

Q    -- voiced strong criticism of his demand and asked that it be reduced to some degree?      A    Correct.

Q    Was there any specific amounts used?      A    Well, only with regard to what various contractors were paying their

labor at that particular time. I remember one contractor, I think it was Pucillo, said "Gee, I am paying the men \$68 a week and I have to give them a raise to \$114. It doesn't make any sense - too much of a raise at one time."

BY MR. GROSS:

Q That ended that phase of the discussion, I take it.

A The discussion lasted in general, in argumentative tones, perhaps fifteen to twenty minutes.

Q Was there any other subject then taken up for discussion?

A No.

Q Was there any discussion of bidding? A Just to include that high cost of labor in your bids - make sure they were in your bids because if they weren't and you were the successful bidder on getting that job and you weren't paying your men that labor rate, you were going to be in trouble with a strike.

BY SENATOR JONES:

Q I have here, given to me by Mr. Elam, who is the volunteer engineer of the committee, servicing the committee professionally, a list of the contractors in the Belleville job and their bids for three and five years and I would like to read them to you for whatever refreshment or in whatever manner it might serve to make you recall further facts in connection with the bid.

Incidentally, before I do that, was there any preferment -- well, I will withdraw that. Lorenzo Pucillo bid \$357,500 for three years and \$629,500 for five years; Capassa Brothers, \$377,225 for three years - \$654,125 for five years; Thomas Capassa, \$375,990 - \$648,992 for five years; Miele Brothers,

that's you, \$390,400 and \$672,640; James Petrozello Company, \$393,400 for three years - \$661,400 for five years; Peter Roselle and Son, \$381,275 for three years - \$658,114 for five years; and Thomas Viola and Sons, \$369,000 for three years and \$675,000 for five years. Does that refresh your memory in any respect as to what occurred at the meeting?

A Only to the point, Senator, that these men, with the exception that I don't remember the Capassa's ---

Q That doesn't help you to recall that Capassa was there?

A No, it doesn't help me to recall that, sir.

BY MR. GROSS:

Q Mr. Miele, in your discussions with Ammarato, did he at any time ever discuss with you the actual position of Serratelli as to whether on an appeal, to use that word, Serratelli was the final boss or whether Serratelli answered to anyone else?

A He gave me the impression that Serratelli answered to other people in a discussion that I had with Ammarato in my office.

Q That Serratelli answered to someone else? He left me with that impression.

A Yes.

Q Now, did he say who that someone else was that Serratelli answered to?

A To my knowledge right now, Mr. Gross, I don't recall that he did say who Serratelli's boss or who Serratelli might have to answer to. I can't recall that he said that.

BY SENATOR JONES:

Q Whom are you talking about as "he said that"?

A Meaning Mr. Ammarato.



Q You are talking now about Ammarato, who was Serratelli's assistant and who was assigned to your association by Serratelli?

A That's correct, Senator. Yes.

Q Mr. Miele, while counsel is looking through some records here, do you know anything about Mr. Serratelli's participating in a percentage of the contracts awarded to public contractors?

A Just rumors, Senator. Just rumor and hearsay. I have nothing concrete to say in regard to that. All I know is that I never had any discussion with him in regard to it - just hearsay, just rumor in regard to it.

Q All right. We won't press it further if you call it rumor and hearsay, although I all the time want to make careful note for the record that the committee does not have to be bound by rules of evidence as we would understand them in a court of law and we are permitted to go well beyond the ordinary rules of evidence and are permitted, among other things, to accept hearsay.

A I understand, Senator.

Q But the committee is going to try to keep a sense of dignity and justice in connection with its questions and when you say all you know is some kind of vague rumor, since there are very important questions involved in this hearing as they relate to public and private questions, the committee will try in a sense of doing what it conceives to be as the right thing to desist in those areas, but it may have to depart from such a standard if the public interest requires. At this moment, I won't press you any further on that question.

SENATOR JONES: Now, we will call a five-minute recess.

(Short Recess.)

SENATOR JONES: All right, let's resume the hearing.

BY MR. GROSS:

Q Mr. Miele, as the committee presently understands, your testimony has been called into question to some extent.

A May I interrupt, counsel? By whom?

Q Well, I will finish and I think that will be made apparent.

A Excuse me. I didn't mean to interrupt you.

Q Your testimony has been called into question by direct contradictions between your testimony and that of the previous witness, one Crescent Roselle. These contradictions have been made apparent and you are now aware of them and the committee is aware of them, and these contradictions have appeared in several instances in the course of this hearing. We understand, that is, the committee understands, that you have now made available to this committee certain recordings, which recordings you have delivered to the committee, and concurrently with that delivery and availability, you have requested and have given explicit permission for the committee to make use of such recordings and to, in fact, play such recordings for anyone who may be present. Now would that be a correct statement of fact?

A Yes, it would be, and I would like to add, not to elaborate, but I would like to add for the record that this information that is in the committee's hands at the present time has been placed in their hands for the primary reason of these contradictory statements between myself and the witness who sat in this

chair previous to me. I am not going to be called a liar for anyone.

Q In other words, it is your fervent desire that these recordings be made public and be made public at your instance and at your request?

A Correct. My character isn't going to be defamed for a contradictory statement by somebody else when I have proof of every statement that I have made before this committee.

Q Now, what person did you just refer to? A I don't recall referring to any person.

BY SENATOR JONES:

Q You said "the previous witness." Now, what person are you referring to? A I am referring to Mr. Roselle. He is the only other witness who has appeared before this committee and his statements and mine contradict each other and I have proof that what I have said is true.

Q You are talking now about Cush Roselle - Crescent Roselle, is that right -- A Yes, sir.

Q -- all one and the same person? A Correct.

BY MR. GROSS:

Q In other words, you are in fact demanding that your position since it can't be corroborated in your estimation, in fact be corroborated? A That is correct.

BY SENATOR JONES:

Q Now, I want to take a step with you, Mr. Miele. I have listened to counsel and counsel has advised me of discussions that he has had with you in connection with this recording, and he has advised me to the same effect that you have just voluntarily testified to, that it is your demand

that this recording be published, so to speak, and played at this time. Now I am clear as to that because of what you have just said and you are as to that. A Yes, sir.

Q What's that? A Yes, sir.

Q I have told you before, and I think that I have also indicated as much to the previous witness, that this committee will try to safeguard personal rights and privileges to the best of its capacity within the legislative framework of doing its work and safeguarding the public interest as well. I do not wish to order a statement as a lawyer. I am one, if you don't know it. I wish to say as the chairman of this committee that there may be questions that may arise relating to your doing here an act which may be considered a criminal one because it may be construed as a violation of some of the statute law of this state. I would not want to tell you that that is so. I would want to tell you that that question may arise. I have no obligation at all to advise you. I have no obligation at all in behalf of the senate committee or the State of New Jersey, speaking through its Legislature, to advise you. But we want to impress everybody in the state with the fact that we are just simply trying to acquire information here so that the Legislature may take appropriate action at a later time. While I have no obligation, I have advised you, and my question now is: Do you wish nevertheless to proceed with the playing of this recording device?

A Due to the Senator's most welcome advice ---

Q It's not advice. A --- if I may use that term, which counsel, Mr. Gross, did not tell me at the time in those

words, I think that perhaps, if it means that some repercussion to myself may occur in regard to a criminal complaint, before I give my permission that this recording be played, I think I should consult with my attorney beforehand.

Q You will not be pressed at this time in connection with this device. I am not saying that you won't be pressed, but you will not be pressed at this time. A Thank you, Senator.

SENATOR JONES: We will not proceed with that particular tack. Anything else?

MR. GROSS: Not of this witness, Senator.

SENATOR JONES: All right. Call your next witness and swear him.

MR. GROSS: Mr. Lippman.

A L F R E D J. L I P P M A N, called as a witness, being duly sworn according to law, testified as follows:  
BY MR. GROSS:

Q Mr. Lippman, have you given your address to the reporter? A New Shrewsbury, New Jersey.

Q Have you some connection with the garbage industry? A I have.

Q What is that connection? A I am president of Fereday and Meyer and of Disposal Areas, Incorporated.

Q And where does that company operate? A Fereday and Meyer operates in several cities, including Elizabeth, Hillside, Roselle Park, Middletown.

BY SENATOR JONES:

Q Elizabeth, Hillside, Middletown -- A Roselle Park,

South Orange.

Q Middletown, Roselle Park. A South Orange, Union and Linden. I guess that is complete.

BY MR. GROSS:

Q And your company has been in this business for what period of time? A Twenty-five years.

BY SENATOR JONES:

Q It's Fereday and Meyer -- A -- Company, Incorporated.

Q And what's the other? A Disposal Areas, Incorporated.

Q Now, Fereday and Meyer is a New Jersey corporation? A Yes, sir.

Q Who are its stockholders? A Well, as far as proprietary interest, I am the only stockholder. There are necessary holders of record to hold the required offices.

Q All right. We will summarize that if you don't object, namely, that you are the sole owner of Fereday and Meyer Company, Inc. with the single exception that for the purposes of compliance with the corporation law of this state, there are two other stockholders? A That's correct.

Q And they hold for the purposes of the statute one share of stock, which I assume is assignable to you?

A I think that it is one share.

Q Now, what about Disposal Areas, Inc.? A Disposal Areas, Inc. has three stockholders other than myself, of which two are for purposes of holding office and the other one is the wife of my associate.

Q The wife of your associate? A Yes.

Q And who is that? A Rosalind Shapiro.

Q With respect then to Disposal, Inc., your associate - what's his name? A Barney Shapiro.

Q And where does he come from? A They live with me in Shrewsbury.

Q Is he related to you? A No.

Q But they live in your home? A That's correct. We maintain it together.

Q I beg your pardon. A We maintain it together.

Q And his wife - what is her name? A Rosalind.

Q -- Rosalind, holds the stock? A That's correct.

Q She is not associated with the business except as a stockholder? A Actively?

Q Yes. A As far as the management, I am the sole responsible party.

Q As I say, she has nothing to do with the business, except she holds the stock? A That's correct.

Q She doesn't receive salaries or do any work. A She receives salary and does certain work.

Q And does Mr. Shapiro do certain work? A No. He is not a stockholder and not affiliated with the company.

Q Not at all. How are these shares divided? A I can't give you the number of shares because it isn't clear in my mind, but I think there are two shares of stock other than those owned by us equally.

Q Well, in other words, Mrs. Shapiro and yourself divide the corporate stock in Disposal Areas, Inc., with the

exception to of two other qualifying shares for statutory purposes?

A Yes. Senator Herbert was one.

Q Senator Herbert was one? A Yes.

Q You mean former Senator Herbert? A Yes. I think I am correct on that.

Q It is unfortunate, but for the record today we might mention that former Senator Herbert died last night, did he not? A Yes.

Q We are very sorry about that. A I am not sure of that. I know he is in one of the corporations. I think that is the one.

Q You don't recall who the other one is? A Yes, the other one is Walter H. Jones, not the same.

Q Not this Walter H. Jones. This is Walter H. Jones of Scotch Plains, as I recall? A That's right.

Q Incidentally, is that middle name of his Henry? A I think so. I am not sure.

Q My goodness. I have more trouble with my name one way or another. A I hope he doesn't feel the same way.

Q All right. Now, what is the gross business of Fereday and Meyer Company a year? A In round figures presently a couple of hundred thousand dollars.

Q Now, what is a couple of hundred thousand dollars; is that two, three? A Two.

Q Two hundred thousand dollars a year? A About that.

Q What was it for the year prior? A In excess of six hundred.

Q Six hundred thousand. In other words for 1959, it is



two hundred thousand gross income and in 1958 it was six hundred thousand. A I was thinking in terms of '58 and '57.

Q Oh, '58 and '57. I beg your pardon. Two hundred thousand for '58 and six hundred thousand for '57. A I would say that is right.

Q Did the six hundred thousand more or less maintain itself for many years prior? Was that roughly your area of income? A Yes, graduating upward as our business increased over a quarter of a century.

Q So that your business over a quarter of a century has been on a steady rise up to \$600,000 for 1957 and then in 1958 it took a sharp decline and two-thirds of your gross business disappeared. A Yes.

Q Is that right? A Yes, sir.

Q What is your gross income from Disposal Areas, Inc.?

A Gross you say?

Q Gross income. A I would estimate about \$70,000.

Q And that is for this year? A Yes, sir.

Q That is '59. What would you say for 1958?

A Only slightly less.

Q Than '57? A Well, over the last six years it graduated from about \$10,000 a year until it came to seventy.

Q O.K. That is satisfactory for our purposes. Disposal Areas, Inc. is the owner of a dump, is that it? A Well, I think technically they are ---

Q In other words, what I am trying to make a distinction of here, Fereday and Meyer, as I understand it is a public garbage contractor, is that right? A Yes, sir.

Q Now, my other query is, if that is so, is Disposal Areas, Inc. - does that corporation own a dumping site and operate a dumping business? A No. The lease for the dump is in the name of Fereday and Meyer. The dumping operation at its outset was a part of the Fereday and Meyer activity. Because of the fact that for sixteen or eighteen years it was negligible as to volume and then we saw the necessity of putting on a payroll and operating the thing in a sufficiently way, it was advisable to form a separate corporation. For example, we have a payroll, I think, of perhaps eight hundred or more dollars per week.

Q All right. Now, in your twenty-five years, your main operations have been in the County of Union - by majority - and then in some surrounding towns in Essex County, is that right? Well, let's put it this way: Where is the bulk of your business and where else have you done business in collecting garbage? That is a fairer way to put it.

A The bulk of my business has been in Union County. I have had contracts in Monmouth County over a period of twenty-four years. For example, I have also had Freehold and Asbury Park at other times. Those are the only counties I recall operating in, although I have bid in Warren County, Ocean County, Bergen County, Passaic County. I think that is about all.

Q Now, you have bid, for instance, very frequently in Bergen County. Have you ever taken a bid in Bergen County?

A Oh, I also operated in Hudson County. I neglected to mention that.

Q All right. Now, you have bid very frequently in Bergen County. Have you ever taken a bid in Bergen County?

A I have bid in Bergen County - tried to get jobs - since about 1935 or '40.

Q Now, that is roughly twenty years of bidding.

A That's right.

Q Did you ever get a bid? A I would say that in Bergen County I have bid less than six times in twenty years.

Q Did you ever get a bid? A No.

Q How about Passaic? A No.

Q You never got a bid there. Hudson you said you did get a bid. A Yes.

Q Essex - did you ever get a bid? A I don't recall ever - yes, I bid in East Orange is the only one that comes to my mind now. I bid there once, I believe.

Q You never got that one either, did you? A No, sir.

Q So that you have bid in Essex County and you never got a bid there. You testified that you made bids in Jersey City and you did get them, is that right? A No. I did not get it on bid. I got that from a bonding company.

Q Oh, I see. So that you have never bid in Hudson County? A Yes, I have bid. I was not successful.

Q So that you have bid in Hudson County over these past twenty-five years and you were never successful in Hudson County. A I think I only bid there once. I am not sure.

Q All right. In any event, you weren't successful.

A That's right.

Q The one time that you went into Hudson County was because of some other garbage contractor's failure under a contract and you at the instance of a bonding company continued to perform the obligations of the contract, paid by the bonding company.

A That's correct, sir.

No. I was paid by the city.

Q Paid by the city.

A Yes.

Q But the bonding company was making secure the performance of the contract.

A That's correct.

Q The work that you did in Monmouth, was that by bid?

A Yes, sir.

Q And you were successful in Monmouth?

A Yes.

Q And what was the other county?

A I bid in Warren County.

Q Were you successful there?

A No, sir.

Q Ever bid in Mercer?

A Not that I recall.

Q So that boiling this down then, while you have bid all over North Jersey, it is accurate to say that with the exception of Monmouth County where you reside and in Union County where your principal offices are, you have never been a successful bidder.

A That's correct.

Q Now, are you a member of the Garbage Contractors' Association?

A Yes, sir.

Q Presently?

A Yes, sir.

Q Have you been from its inception?

A Yes, sir.

I helped organize it.

Q I beg your pardon. A I helped organize it.

Q Now, on that score, Mr. Lippman, I am a little bit unsure in my own mind about a fact of organization and I'd like you to help me. You say you helped organize it.

A Yes, sir.

Q Are you suggesting that this was organized some years ago and you helped organize it or are you suggesting that you helped organize the one which Mr. Roselle has testified about that he was the liaison man for? A Well, there were two stages of that.

Q That is what I thought. Will you describe that for the help of the committee? A In 1950 - I believe I am correct on the date - I invited several contractors to come to the Newark Athletic Club for a meeting for the purpose of organizing a trade association the same as the Bar Association, the Medical Association or the Real Estate Board or anything else, and I made up a code - what I thought would be a desirable purpose of organizing. I think I am correct that the thing petered out. In 1943 I met one of the other contractors, Joseph Egan, who has since deceased, and we discussed it and we had a small meeting in my office in Newark and formed a new association, of which Mr. Frank Miele, who was here, was the secretary.

Q Frank Miele, Sr. A Yes, sir.

Q This was in 1943. A Yes, sir.

Q You, Egan, and Frank Miele, Sr. A There were a couple of others who were invited at a later time to join. We at that time were having considerable difficulty with

manpower. We were having considerable other difficulties. Oh, by the way, we did form a corporation in the office of Senator Toolan. I am not sure who were the incorporators at the minute, but I am quite sure that those three names were three of the five. I went to Washington on a couple of occasions as a result of this meeting in order to get manpower because we were having considerable difficulty with manpower. I had rather voluminous files to my surprise, when I found it now, on the subject and on the activities of this association - press releases which were gotten out at my expense of the things that we should do, inviting various municipal officials to become associate members of this association, and so forth. The thing fell by the wayside as the need in that direction fell off and there was no further activity until this new association was formed.

Q That association which you formed then in 1943 died of its own particular death some years hence. About how much later?

A Not too long.

Q In other words, it was a short-lived affair?

A Yes, sir.

Q If it began in '43, it was over in '44 or '45, somewhere in there?

A Probably.

Q Now, who started the second association? Were you the prime mover?

A I think - I am not sure - but I think that Joe Cassini, Joseph Egan - I am not sure whether Roselle was or not - some of the men from Bergen County, of which I am not sure who they were ---

Q Capassa?

A I don't know whether he was one

of the original ones who came in. I think Iommetti was. I think so. I am not sure. I would have to refresh my memory on that.

Q O.K. But these are the fellows that started the new idea about getting together? A That's right.

Q And what year was this to your recollection? A Four or five, I am not sure.

Q Four or five years ago? A 1954 or 1955, I am not sure.

Q 1954 or 1955. And who contacted you? A That I don't remember. It could have been that I had discussed it with Joe Egan.

Q Do you have anything to say as to the purposes of the association? A I would be glad to.

Q Mr. Lippman, I may say this to you too, anything that you need or want for the purpose of refreshing your memory or anything that you want to be perfectly sure about in response to a question, by all means refer to any documents you may have and if you feel that a question is put in a fashion in which it will not evince a proper and correct and factual answer, please ask for a restatement of the question.

A Thank you, Senator. I have a slip which I am looking for now which gives the complete purposes of the association. Bear with me just a second, sir.

Q Take your time, Mr. Lippman. A I have it. Senator, this is a photostat of my office copy.

Q Do you want to make it a part of the record? A If you wish.

SENATOR JONES: Good. I will ask the young lady to mark it and then I'll take a look at it.

(Received in evidence and marked Exhibit A-8.)

THE WITNESS: May I say, Senator, I think you will find that almost verbatim in either the preamble or the constitution or whatever it is of the association as formed.

SENATOR JONES: All right.

Q Incidentally, this is a part of the record now so you can be assured of that, that it will be in the record.

Incidentally, did you draft this or who did draft this?

A I drafted it.

Q This is your draft?

A That is my draft, yes, sir.

Q And in respect to your draft, it was adopted as a part of the by-laws of the association.

A There may have been some changes in it, but basically that's it.

Q Well, we will get to the organizational and other aspects of this organization, by-laws and the like, at a later time. But in fairness to you as a witness here, would you want to characterize roughly what you had in mind when you asked them to adopt this type of a principal or objective or by-law for the association, just so that we don't pass over your testimony. I want to give you the benefit of saying what is there.

A I think that each of the things that I had in there - I may not recall all of them offhand - but ---

Q You can summarize it. Look at them.

A One of



the principal activities was to get fair treatment from the union, and not only fair treatment, but from my selfish point of view, that the entire industry, if possible, should get equal treatment. I also felt that public relations in the business were a necessary thing because the garbage business seemed to have in popular opinion sort of a - without intending to make a pun - something smelly about it.

Q I don't think that there is any punning about this any more. Go ahead. A I also wanted to get out a news letter. I felt that we should get consultants and engineers who would make their services available to various municipalities for the purpose of inducing municipalities to place their jobs out on contract on the theory that we could do the work cheaper than municipalities could themselves do.

Q Don't read it all, Mr. Lippman. I want to treat you fairly and I want you to try to characterize all those fourteen or fifteen points. If you insist, I'll let you read it.

A No. I have no reason for reading it.

Q I am just trying not to bog us down and it is in the record and it will be published as a part of the record and as a part of your recommendations to the association.

Q Did you, as a member of this association, then pay for your first year's dues \$6000 a year roughly? A I don't know the figure.

Q Well, it was one percent. A One per cent.

Q -- of your gross income for the year. A That's correct.

Q And you testified that you were working yourself up to in 1954 or so, you were working up to six hundred thousand dollars. So my question is a general question. Approximately, you were paying \$6,000 a year ---

A Approximately. That's right.

Q -- and it represented - this is exact - it represented one per cent of your gross take. A That is exact.

Q O.K. When did you first meet John Serratelli?

A 1939 or 1940.

Q 1939 or 1940. A Somewhere in there.

Q What was his capacity then and how did you meet him?

A I can tell you how I met him. I can't tell you what his capacity was.

Q Fair enough. Tell us only what you know.

A A couple of men came into my office and said "We represent the union." "That's very good. What can I do for you?" They said "We are going to organize your men." I said "Well, I think my men are as well satisfied as they can be with the present situation in this business, but if you can organize them, go ahead." And the other fellow who was with Serratelli, not Serratelli --

Q In other words, there were two men, one of whom was Serratelli. A Yes. (continuing) -- said "Would you like to see my credentials?" And I said "Not particularly." He said "I'd like to show you my credentials" and he threw a piece of lead pipe on my desk and he said --

Q How big was the lead pipe? A Well, I wasn't particularly interested. That was quite a few years ago. But I'd say it could have been eight or ten or twelve inches long. I don't know.

Q You weren't particularly interested, but you didn't want to meet up with it either. A I wasn't afraid of it.

Q So he threw on your desk in front of Serratelli a lead pipe and said "These are my credentials." A That's right.

Q What did Serratelli say? A I don't recall that Serratelli said anything. Oh, the other fellow said "I used to be Waxey Gordon's bodyguard." And I said "Well, I guess he didn't particularly care who he had as a bodyguard."

Q You sound pretty tough to me. A No, I am not that tough.

Q So he told you that he used to be Waxey Gordon's bodyguard. He didn't tell you his name? A No.

Q You never found out since? A Yes, I did.

Q What was his name? A I would have to recall. I would know him if I saw him. He was a short fellow and he was around for a little while after that. I would have to refresh my memory on that, but I would know him if I saw him.

Q Well, will you supply his name to the committee? A Yes, sir.

Q All right. We will leave you to supply that name to the committee as you go through your records. Now, he said he was Waxey Gordon's bodyguard, he threw a lead pipe on your

desk and what else did he do? A That's all.

Q What did Serratelli say and do? A At that particular time, I don't think anything.

Q Who was in charge of that foray, Serratelli or the bodyguard of Waxey Gordon? A I subsequently found out that neither of them was in charge of that group at that time. There was another man who was not present.

Q In other words, who were they speaking for then?

A I don't think that they had any official connection.

Q You mean that they were coming in to organize you, but not representing in fact a labor union? A That's right.

Q This is true of Serratelli and the bodyguard.

A May I correct myself on that?

Q Any time. Feel free. All we want is to get the facts.

A It is quite a few years ago.

Q I understand that. A And the man in charge, his name was Murphy, James Murphy.

Q James Murphy - in charge of what? A I think they called themselves CIO Organizing Committee or something like that.

Q You mean the bodyguard and Serratelli? A I didn't know at that time who they represented. I subsequently found out that the group, as such, was known as the CIO Organizing Committee.

Q The group, meaning Serratelli and the bodyguard?

A Yes.

Q Now, where does Murphy fit into this? Murphy was actually the head of or the business agent of a bona fide

labor organization?

A For a very short time, I believe.

Q Was he the head of this organization at the time of this visit?

A I think so.

Q And you stated before that they did not in fact represent Murphy or the organization.

A No. I corrected myself. You asked me did they represent a formal union. I didn't remember it as such and then I recalled that I think on their stationery or something it said "CIO Organizing Committee" - something like that.

Q You now then recall that there was some semblance of the fact that they were representing a labor union?

A Very vague.

Q All right. I thought for a minute that you were giving the committee the impression that they had nobody that they were representing.

A I corrected that.

Q You corrected that. In a vague way you gained the impression that there was some type of evidence that they represented some CIO Organizing Committee?

A That's right.

Q Did you put on the record anything that Serratelli may have said at that time?

A I don't recall that he said anything.

Q That ended. The pipe was on your desk and you had identified one of your men. Did they leave?

A They did.

Q Without other comment?

A That's right.

Q What other activity did they embark upon? This is now, as I recollect in 19--

A -- '39 or '40.

Q (Continuing) '39 or '40. What was their next activity as far as you know?

A As I came into the dump area, I

noticed them hanging around the entrance.

Q When? A Some time after, not too long thereafter.

Q Not too long after. A week or a month? A It could be. They notified me that they had some of my men signed up - they didn't say how many - and they said they were going to pull a strike. If I remember correctly, I held a meeting of my men in my garage and said "Now, if you fellows are discontented or anything like that, let me know." There wasn't too much said as far as that goes. Shortly thereafter I got a call that they were pulling a strike.

Q Now, who gave you the call? A One of my employees, my superintendent.

Q Well, your superintendent got a call from whom?

A I don't recall.

Q You don't know. Your superintendent called you --

A -- and said "You'd better come up."

Q (Continuing) -- and said "Boss, you'd better come up here. I've got news that they are going to pull a strike." That's just rough language, but it's to the point, isn't it?

A That's right, yes, sir.

Q And in the discharge of his duties, he told you that and you went to see him, right? A That's right.

Q What did he have to say to you? A Well, I said "Get the trucks rolling and get them out." We started to roll the trucks and by that time the organizers were down at the corner with the men grouped around them. And, if I remember correctly, I was only able to get four men into the garage to start them off.

Q Incidentally, did you ever find out what Murphy's connection was with Waxey Gordon's bodyguard and Serratelli?

A Murphy had no connection as far as I knew. It was the other fellow, the little fellow.

Q You mean, Waxey Gordon's bodyguard? A Yes.

Q Well, I am asking you did you know of him having any connection with Murphy? I am asking you did you know whether he had any connection with Serratelli? In other words, I am asking you what the community of interest was between Murphy, Waxey Gordon's bodyguard and Serratelli? A Whether he had any official connection, I don't know.

Q All right. With the exception of four fellows, they had pulled your operation - your trucks didn't move.

A We tried to move them.

Q Then what happened? A They said they were going to stop me with violence, if necessary.

Q And what violence did they offer you? A Well, at that time, I didn't know how many men would go out. I said "Now, I am not going to be intimidated and I want to move these trucks." And they said, "Well, you are liable to be mugged up." I said, "Well, if I am liable to be mugged up - if I have to handle fire with fire, I will, but I'd rather not."

Q What did you mean by that? A I subsequently got the police to come over, now Chief - I believe that this was the time - I think he was then a Sergeant or a Lieutenant McGuire and he was unable to help me to get the trucks moving.

Q Did the trucks move with the help of the police?

A No, sir.

Q They wouldn't move even with the help of the police.

A I was able to get four trucks out and no more and that was as good as nothing.

Q Did they muss you up? A No.

Q Did they muss you up after the police left or after the trucks got out? A At no time.

Q They didn't muss up your property or your person then?

A Not to my knowledge.

Q Nor the men who moved the trucks? A Not to my knowledge.

Q O.K. Now, this represents your first brush then with John Serratelli and Waxey Gordon's bodyguard. What did they say to you during these incidents? A Well, we subsequently went up to the office of the Chamber of Commerce with Police Commissioner George Cushing. The Mayor was quite anxious to get the garbage off the street and we negotiated for a considerable length of time and finally the men went back to work.

Q And in going back to work, you recognized the union?

A I don't know whether I recognized them at that time. In any event, they got an increase for them so I suppose that is tantamount to recognition.

Q Did you sign a contract with Serratelli at the time?

A On that particular occasion, I am not sure. I signed several others thereafter.

Q And what happened to Waxey Gordon's bodyguard; was he all a part of this show?

A He kind of faded out of the picture.

Q He faded out of the picture; Serratelli remained.



A Yes, and Murphy remained for some time.

Q And Murphy remained for some time. And what was Serratelli, representing Murphy who was the then business agent?

A I don't know the titles. But the number-one man was Murphy and the number-two man at that time was Serratelli.

Q When did Murphy fade out of the picture? A Not too long after that.

Q Who took over? A Serratelli.

Q Give us the date that Serratelli took over this union in your judgment and tell us - tell us that first. A I would say in the very early '40's.

Q And he has been in charge of the union ever since? A Yes, sir.

Q And he has been -- from your knowledge of Serratelli, he speaks with complete authority for the union, is that right?

A I don't think he was an officer, but he speaks with authority for the union.

Q And what he say goes? A It always did.

Q It always did. With you and with others? A I don't know about others.

Q You do know about yourself? A Yes.

Q Did you have a series of negotiations then with Serratelli from approximately 1940 up to and including the present time?

A Yes, sir.

BY MR. GROSS: Now, when did you first meet Serratelli?

Q Mr. Lippman, when Serratelli first took over the organization and Murphy had left, when were your first negotiations after that time? A I would have to refer to my records,

but in the early 1940's, I think, was the first contract we had with his signature on it.

Q And this is at the point where Murphy had already left? A Yes. May I refresh my memory? I can tell you.

SENATOR JONES: Any time you want. You just refresh your memory any time you want and refer to any documents that you want.

THE WITNESS: On the 20th day of June 1941, the union was known as Construction, Transportation and Allied Workers' Union, Local 958, CIO.

Q Now, I used the word "negotiations." Would you care to describe for the benefit of this committee what those negotiations actually amounted to? Were they bona fide negotiations or what?

A Well, the negotiations were as far as I was concerned bona fide because they were all - I shouldn't say "all" - many of them were carried on in the presence of a representative of the City of Elizabeth or the Chamber of Commerce. We would complete our negotiations and then supposedly expect to go back to work. I have here ---  
BY SENATOR JONES:

Q Let me ask you something about these negotiations.

A Yes, sir.

Q Is it or is it not true that the employees of the particular unit were never present or rarely present? A In my particular case, my employees were always present.

Q In your particular case. A I believe that I am safe in saying that the only case.

Q You mean, you are the only case where you did have employee representation in negotiations? A I believe that is right.

Q And in all the other cases that you know of there was no employee representation? A I say "in my opinion."  
BY MR. GROSS:

Q Now, were you about to say or tell us what happened after the representatives left? A No. I was about to mention that as of this date in 1940, I have here a writ of attachment which was filed on me against this union, supposedly to collect any moneys which were due, and as of that date, the only contractors which were apparently organized were Maloney, Egan and myself.

Q Now, this writ of attachment, what is that again? A It was filed against me by a lawyer in Newark by the name of Allan Tumarkin.

Q Now, that is for failure to pay union dues? A I am not familiar with the legal terminology. Here is what it says: "Action at law in attachment warrant to seize."

Q And do you know what the obligation was at that time? A No, sir.

Q You don't know at all? A No, sir. The only reason I kept that in my files was because it was conclusive evidence in my mind that mine was the only militantly organized shop and the other two were the only other two organized even in a more loose way.

Q Was there some period of time in these early negotiations when the representatives of the city were not present or did

that continue throughout?

A That continued up to the point when I saw they did me absolutely no good.

Q What do you mean by "no good"? What was the result of these negotiations?

A Well, we would sit in a meeting and have a negotiation in which we would be all settled and the employees would sign the agreement and then I'd get ready for my trucks to go out the next day and the representative of the union would be there and say "Your trucks are not going to roll." I'd say "Well, here I have got an agreement that you are taking X dollars increase and these are the conditions. I thought we were settled." "Well, I have changed my mind."

Q You mean that after a settlement had been made with city representatives present --

A That is correct.

Q (Continuing) -- and you went out into the field to proceed to work, the agreement was cast aside by the union people?

A And by virtue of the fact that we had bonds outstanding, we weren't in a position to argue very strongly. I can think of one case where an attorney was present in my garage and the thing was settled and by the time the attorney got back to his office, we had to pay an additional amount. Those amounts ran as high as - we originally settled on one case I have in mind for \$4 and the men wouldn't go back to work unless they had \$12. I have here a copy of a settlement which was made on the 12th day of January 1949. The contract was signed by the members of the union. The negotiating committee signed and Serratelli signed. I signed. When the men got ready to go out ---

Q Was this signed while city representatives were present?

A I can't tell you whether this particular one was, but there were cases where it did happen. I am not clear in my mind.

Q All right. Go ahead. A Drivers shall receive an increase of \$7 per week, I think it is here, and lifters of \$6 per week, it looks like, making the wages \$44 and \$42, and shall be increased at the rate of \$2 per week until they reach the maximum. Subsequently that was changed before the men went back to work to \$8 and \$10. In addition to that, we had to give them --

Q Well, is that noted on this document, a change to \$8 and \$10? A Yes, sir.

Q Can we see that? A It also added two holidays.

SENATOR JONES: Do you want to make that part of the record for the committee, Mr. Lippman? Do you have any objection?

THE WITNESS: No, sir.

SENATOR JONES: All right. We'd like to have it.

(Received in evidence and marked Exhibit A-9.)

Q I noticed you weren't sure whether city representatives had been there at the original signing, but at this change, are you sure? A I am sure they were not there at the change.

Q They were not present at the change? A Yes.

Q Now, I notice you describe the period before the change as "a settlement" or "new settlement." Is that a proper description? In other words, were you still negotiating?

A That was a settlement.

Q That was a settlement? A Yes, sir.

BY SENATOR JONES:

Q In other words, you had a point of view, he had a point of view and it was adjusted --

A Not only that. I have had instances where every employee of mine signed an agreement, not just the negotiating committee, but I learned by bitter experience that a settlement wasn't a settlement and so we tried another tack. I have had nearly fifteen different - I shouldn't say fifteen - say eight or ten different lawyers, negotiators and everybody else trying to come in and see if we couldn't keep our negotiations on an even keel. I haven't been able to do it.

Q You haven't been able to do it? A That's right.

Q In other words, you haven't been able to get any fair dealing, is that what you are telling us, from Serratelli?

A In substance, yes. I would put it this way: I suppose as a representative of the union, he was doing his job to get the men the highest possible wages, which he did in my case. My only quarrel with that was, not that the men got what they were entitled to, but that I at all times was paying a different rate of wages than my competitors.

Q In other words, what you are telling the committee now is that while he was bargaining for these workers with you in connection with your business, he wasn't as sharp or as hard a bargainer with other members of the association or other garbage contractors, is that right?

A Yes, sir.

Q And you are telling us that he made you a special object of his negotiations with you as compared with others then?

A I have here a letter dated October ---

Q Well, wait a minute. Is that right? A That's right.

Q So that he was creating for you then a different competitive situation than he was creating for other garbage contractors? A That's right.

Q So that if this is so, you were constantly in a bid situation where another fellow could expect to do a job cheaper than you? A That's right. May I read this?

Q You may read anything you want if you find it pertinent or proper to the inquiry. A I don't want to be unfair in reading part of it, Senator, so if you wish me to, I will read as much more after I read this as you want me to.

Q All right. A This is October 5, 1951. It is a letter addressed to all bidders and in part of this letter it says, "We have already won a  $17\frac{1}{2}$  per cent increase for the Elizabeth, New Jersey sanitation men, making their wages for drivers \$70 per week and their loaders \$60." He made a slight error because the deal which he penciled in afterwards was \$62 a week and not \$60. I am quoting out of context in this letter. He said "The present wages and working conditions are as follows: \$53 per week for drivers and \$48 a week for loaders." So, in effect, at this particular time in accordance with this letter over his signature, I was paying \$62 and \$70 against a wage scale of \$53 and \$48.

Q As of that time? A As of that time, yes, sir.

Q So that in effect you were competing with other competitors at a stage when you were paying roughly \$10 more a week than your competitor for all your help? A That is

correct and paying overtime.

Q And paying overtime. Now, incidentally, talking about the garbage business, am I correct when I say to you that the most expensive item in the collection of garbage and its disposal is the labor cost? A As of now, yes. Years ago that was not true.

Q But as of these times -- A Yes, sir.

Q -- as of the date of this particular letter you are reading from, that was true -- A Yes.

Q -- and it has been true ever since, isn't that right? A Yes.

Q So that the most important thing that you have to understand in the collection of garbage is that labor is the major item -- A Yes, sir.

Q -- of cost to the garbage contractor? A That's right.

Q So that when he put you at a \$10 disadvantage, as he has over these years - is that what you are saying? A That is what I said.

Q When he put you at a \$10 disadvantage over these years, he was in effect reducing your competitive capacities to collect garbage at the lowest possible price? A I had to be sufficiently resourceful to find other ways to compensate for it.

Q Now, when you say you had to find other ways to be sufficiently resourceful to compensate for that, you mean by that in the collection of garbage? A In part.

Q In part. First of all then, what you want me to know



is that because of this very difficult situation that he created for you, you found it necessary to be very resourceful in the administration of your business and in its economical operation?      A That's right.

Q That is one thing. And then there were other things that you felt you had to do in an effort to bring this situation around to where you could keep competing, right?      A In the way of purchasing most economically, operating older equipment which had been thoroughly depreciated rather than go out and buy new trucks. Instead of buying new trucks in many cases - I think over the period of the years, I probably have bought in the neighborhood of eighty trucks - I have exact figures, but I am just giving it to you from memory - and out of those eighty trucks I'd say I only bought twelve new ones. It is debatable whether that was smart business or not, but that is one of my approaches.

Q But that is what you did. All right. Let me ask you one other thing: Did you get in the association in an effort to be able to deal with Serratelli?      A That was the first thing.

Q That was another accommodation on your part to this fellow who you thought was picking on you?      A No, no. I didn't care what the men got. As far as I am concerned --

Q You passed that on to the community anyway, didn't you, in a low-bid situation?      A That's right. But all I didn't want to be was at a disadvantage. I mean, unquestionably when I started in this business, the men were overworked and underpaid. That was a competitive situation that I

couldn't do much about, and as the thing adjusted itself, the men up to a point, I think, got what they were entitled to.

Q Now, let me ask you something: Whenever you bid, it was the practice - or whenever there was a job, it was his practice, as Serratelli organized this industry, to notify the mayor and council or the governing body, to be more exact, that he was going to make certain wage demands, and he sent similar copies of a letter to all the prospective bidders, didn't he?

A I don't think that was 100 per cent orthodox, Senator. I think it happened on occasions and didn't happen on other occasions.

Q Would you say that the practice was more breached than observed, or would you say it was a general practice that had some exceptions?

A I wouldn't know. I'd say the jobs that I bid on, it might have been fifty-fifty.

Q A lot of times he wrote to the town and sometimes he did not write to the town, but whenever he wrote to the town and told them, he also wrote to the prospective bidders, didn't he?

A And if it was enforced, that was all right with me.

SENATOR JONES: All right, counsellor, you take over. We are going to adjourn at one o'clock for lunch so we only have a few minutes to go.

BY MR. GROSS:

Q Just with the original wage situation then, I think I am fair in saying that Mr. Roselle told us in his testimony, that the original demand for \$104 and \$114 was made sometime in 1956 and not enforced until January 1st of 1958. Are you

liar with that situation at all?

Q When were the demands for that rate originally made both you and other contractors if you know? A I know.

Q Can you tell us when? A Yes. I have here a sign which was put up in my garage and at the time this was put up in my garage, there was a lot of loose conversation about \$104 and \$114, but this was the only garage - I mean, in negotiating with employers, it is one thing, but if you promise employees something like this, it is very difficult even for the union to change their mind, as you can understand - but mine was the only garage in which the men were militantly organized to the extent that they were at this time, and without notice to me, without any conversation, this sign was put up in my garage.

BY SENATOR JONES:

Q What is the date?

A I would have to place that as somewhere in April or May, 1956.

BY MR. GROSS:

Q 1956?

A I'd have to look at a postmark at home. I think --

Q Well, that would coincide with what Mr. Roselle said. But I notice the date that these new wages would begin would be January 1, 1958.

A Then I would have to correct myself. That was in 1957.

BY SENATOR JONES:

Q Right. And I notice back here - I don't know whose handwriting it is; but it might be helpful to you - you have June 1957. Is that your handwriting?

A Yes, sir. Then

this was put up sometime in - probably in April.

Q April, 1957, this was put up? A Yes.

SENATOR JONES: For the record and for the benefit of the press, it says "Attention: New wages begin January 1, 1958, drivers \$114.40 per week, loaders \$104 per week. John V. Serratelli, Business Manager, Local 945, A. F. of L." and the address. On the lefthand corner in a writing not known to me it says "See that this is not taken down" and below is some writing which I cannot decipher. Can you?

THE WITNESS: No, I don't know what that is.

(Paper concerning wage rates handed to stenographer to be marked as an exhibit.)

(Received in evidence and marked Exhibit A-10.)

BY MR. GROSS:

Q Do you know whether this same situation applied to other contractors? A Not at that time.

BY SENATOR JONES:

Q Who put that sign up? A A representative of the union. I took it down after consulting my attorney. I said "Do I have to leave it up?" and he said "No, take it down" which I did.

BY MR. GROSS:

Q Now, you say this same situation applied to other contractors, but later on. Do you know when? A Actually? Do you mean as far -- I think it came after. In fact I am sure that the contracts for the new wage were signed in December and November after the Elizabeth bid.

Q After the Elizabeth bid? A Yes, sir.

Q Do you know whether at this time Serratelli wanted a uniform rate throughout the industry? In other words, was he now saying "Fereday and Meyer, I am now going to put you in equal position with the other contractors"?

A I approached him on that. I didn't get an answer that I considered satisfactory.

BY SENATOR JONES:

Q Well, what was said? A In effect, I told them that I had very little to lose at this time because I had very few trucks working and if he was going to put me on a wage scale like that, as long as it was on that basis I lost a job after twenty-four years, he'd better be damn sure that everybody else in the business had the same wage scale.

BY MR. GROSS:

Q But you got no effective answer to this? A There was no effective answer. You see, the association was supposed to negotiate as a group. That was one of the cardinal principals as far as I was concerned and one of the principal purposes of forming the organization. Now, Serratelli was able to get a majority of the association members to sign, so that when it came time for the negotiating committee, who were Egan and Iommetti - no, I think Egan died before - it just left Iommetti - when it came time to negotiate, there was nothing to negotiate because he had the majority of the members signed up so that the rest of us had to go along.

Q When you say he was able to get some of them to sign, are you suggesting that he had a more close relationship with some of them than he did with others? A It could be.

BY SENATOR JONES:

Q Well, you know of evidence of that, don't you?

A Well, I mean, there were plenty of indications of that.

Q Plenty of indications of the fact that he was ---

A I have no proof though.

Q (Continuing) -- more closely allied with one contractor than another.

A Oh, yes.

Q There is no question in your mind about that, is there?

A That's right.

Q And where he was closely allied, these contractors were in a much better position than you were.

A That's right.

Q And I mean by "position," in respect to the industry, your capacity to do work, your capacity to compete, and in every sense of the word.

A That's right.

SENATOR JONES: We will recess now until

1:45, at which time we will promptly resume.

(Recess for lunch.)

AFTERNOON SESSION

SENATOR JONES: We will now call the proceedings to order. We will continue with the interrogation of Mr. Lippman who is in the witness chair.

BY SENATOR JONES:

Q Mr. Lippman, to summarize your testimony - and be sure to correct me if my summary is incorrect -- to summarize your testimony as I understand it, given this forenoon, would be to say that since Serratelli began organizing the garbage employees of North Jersey, he has made you a particular object of his rigorous negotiations and has in a sense picked upon you to your detriment and to the benefit of other competitive garbage contractors with whom you have to engage in a competitive garbage business. Is that accurate? A In my opinion, yes.

Q And your relations, I assume, from the time they threw a pipe on your desk up to and including the present time have been poor, have not been cordial, and have been the result of considerable friction between the two of you - Serratelli and yourself. A I wouldn't say, Senator, that that's a correct appraisal of it.

Q Well now, remember, as I told you repeatedly, don't let me say anything. You correct me if I say anything that's incorrect. You tell me what the proper appraisal is.

Q Well, summarizing it from my point of view, I would say that his word was no good, that a negotiation was worth very little; but, conversely, there was nothing that I could possibly accomplish by throwing down the gauntlet to him, in

any way. So, as far as our relations were concerned, they were formal, polite and --

Q And poor. A Well, not satisfactory, at least.

Q Unsatisfactory. All right. Did you entertain or did he entertain for you, for which you can supply evidence, any dislike for each other? A Personal? I would say I can't think of any concrete example.

Q Why did he pick on you? A Well, --

Q Now, here we are. You have no basis and he had no basis for picking you out and still he does pick you out. Now, why did he pick you out? A I can think of only one possible reason at the moment why certain people, and more particularly myself, should be picked out, - because, in the event of any difficulty in keeping our vehicles moving, and as long as you can keep your vehicles moving you are not vulnerable to any of his activities, --most of the other contractors were in a position where they had sufficiently large families or groups where they could keep their trucks operating regardless of anything else. Now, that was not true in my case. It wasn't true in Maloney's case. And only to a slightly lesser degree was it true in Egan's case.

Q What is the significance of the fact that the other contractors, by family means, could keep their trucks and you, Maloney and Egan, who are garbage contractors, couldn't?

What is the significance of that? A Well, because if we had a strike - we have bonds - I think I have had bonds, if I remember correctly, up to about \$400,000 or more



dollars, and the communities would not listen to any excuses.

Q All right. But what you are telling me, in effect, is that he had greater control over you, Maloney and Egan.

A True, yes.

Q In other words, he could bring you to your knees faster than he could all the other family garbage people. Isn't that what you're saying? A Yes.

Q If that's so, why did he spend so much time picking on you? Why didn't he pick on somebody that could give him trouble or who was giving him trouble? A I don't understand your question. I wasn't in position to give him any particular trouble.

Q That's the point. If he pulled the employees off your trucks, your trucks wouldn't roll. A That's right.

Q But if he pulled the trucks of some of the other garbage contractors whom you were in competition with, that were made up of large families, which is reasonably typical of the industry, - isn't it? A Yes, sir.

Q Those people could at least roll their own trucks. There were enough of them that they could roll the trucks.

A That's right.

Q Then they were harder for him to handle than you, weren't they? A I would say so.

Q Then why did he pick on you? You were an easy fellow to put into position of being subservient to his demands. A Well, the only possible reason that I can think of at the moment is that it was rather obvious that he could put me up as a shining example of the excellent

organization which he was able to set forth in my company.

Q Well, you, I think, testified he had you roughly - an average of \$10.00 a week for most of the period of time that he had this business organized, above your competitors. Have you figured out what percentage?

A Well, it ran from \$3 to \$12.

Q Three to twelve dollars over the years and what was the percentage?

A From 10% to 20%.

Q Ten percent to 20 percent, he kept you, over and above the labor costs of your competitors.

A It fluctuated, but I think the record would speak for itself.

Q O.K. It fluctuated but it was always between 10 and 20% that you were paying your men more than anybody else.

A Plus overtime.

Q Plus overtime. Now, when did the percentages increase? When did they go to 20%? As we come closer to the present time?

A No. There was one particular time I had in mind that there was a \$12.00 increase on a lesser amount. I would have to refer to the record. So we'll say, for example, from somewhere around \$40.00, a \$12.00 increase at that time, - \$44.00 - would be somewhere in the neighborhood of over 20%. Whereas the time before the last there was a lesser increase.

Q Now, let me ask you this:

A The last increase was from \$68 and \$76, which we were paying, to \$104 and \$114. So at that time it was much greater than even the 20%. But everybody else met it so I'm not including that in our --

Q You're not including when everybody went on \$104 and \$114. A No, sir.

Q Of course. So, everybody went on \$104 and \$114 - I think there's been testimony - in December of 1957. Is that accurate? A That's correct.

Q All right. Well now, for December, 1956, you were well in advance of your competitors then. Right?

A That's right.

Q How much were you in advance of your competitors then? A Other than new contracts which were entered into, we'll say for argument sake, a year after -- you see, they're on a three year period --

Q I understand. A -- my step-up would be well in advance of the others, from a year to more.

Q So that when you were competing with Roselle, with Capassa, with Pucillo, with Petrozello, and all the rest, you were always in this position that you have described and testified to here. A That's correct. I don't say always but in the main, yes.

Q Well, did you take any steps to make Serratelli more reasonable about his demands upon you? A Yes. And the formation of this organization was just an example of it.

Q Did that work? A No.

Q As far as your concerned, it didn't work. A No.

Q Incidentally, Serratelli attended the meetings of this organization, didn't he? A On a few occasions he was there.

Q You saw him there? A That's right.

Q And what were your discussions with him at these meetings that he attended, when he attended? A Other than labor discussions, I had no discussions with him.

Q Well, were there not discussions at these meetings that related to areas of operation for garbage contractors?

A I never heard such discussions.

Q Well, did you know of any? A I didn't know of any.

Q At these meetings, there was no effort to divide the State for the purpose of giving a garbage contractor an area in which he would operate? A From my observation

that's mostly in people's imagination.

Q All right. The answer then is, no, it didn't happen. And Serratelli never talked with you along these lines?

A In fact his participation, to my observation, was usually brief.

Q Well, tell us about it. A For example, I mentioned - I'm just thinking offhand - we had a labor committee which was supposed to function and meet with him. There were discussions about conditions or about labor matters or things to be decided and I don't recall anything specific, other than that, that he ever talked about.

Q Well, haven't you sat with Serratelli when town bids were being discussed? A No. I correct that.

I think, in front of the East Orange City Hall, after the bids went in up there, there were several of the contractors that stood around for quite some time, and he was part of the discussion, he was part of the group. That's the only one

I remember. There may have been others but I don't remember.

Q So that he never talked to you about a bid of any kind, then? A Yes, he's talked to me about bids.

Q Prior to their being made? A Yes.

Q And whether at an association meeting or not, he has talked to you, then, about bids to be made? A Oh, yes. He'd say, "Now your wage scale is going to be up so be sure to bid enough."

Q O.K. But you had no other discussions with him?

A I've had other discussions with him but --

Q No, I'm not now talking about your wage scale, I'm talking -- A About bidding? No.

Q I'm talking about bidding generally. A About bidding, generally or specifically, no.

Q How did he always know where the bids were and who was going to bid? A I don't know that he did.

Q You don't know that he did. A No.

Q Well, how did he know to whom to send notice of the new wage rate or a wage demand? A Well, I would presume the same way I would know as a contractor who was going to bid and who wasn't because that was a matter in most communities of public knowledge and certainly in other communities of public or semi-public knowledge.

Q And you are suggesting then that he acquired this semi-public or public information because it was such.

A I'm not suggesting, I don't know where he got it.

Q Now, talking about that, - it was his practice to send you and the municipal corporation a list of the wages, but whenever he sent you a list of so-called prospective wages,

and a copy to the municipality, with the exception of December, 1957, you always settled for a price under the demand as made. Isn't that so? A No.

Q That's not so. A No.

Q Well, did that occur on occasion? A It did occur on occasion and on one occasion that I can think of we settled for more than the original demand, after the bids were in and I had figured my job.

Q Tell me this, then: So that when, in your particular case, he said to you that the new wage demands shall be X dollars per week and you settled for an amount less than X, was that information conveyed to the municipality? A I wouldn't think it would be.

Q You didn't think it would be. All right. A I can also tell you this, that on one occasion - I could give you the date by referring to one of these papers - I had a three year contract with them at \$32 and \$36 - whatever the date was - for three years and I made my bid in accordance with that, and with a year and a half or two years to go I was told that, notwithstanding my contract, I would have to give my men a \$7.50 increase.

Q All right. Now, with this background, I want now to turn you over to Counsel for the Committee because he has some questions to ask you. A Yes, sir.

BY MR. GROSS:

Q Mr. Lippman, on the question of the Association, you mentioned before that it was your definite impression that some of the contractors were being favored by Serratelli. And

you mentioned that there were several incidents which would give you this impression. Now, can you start with the first incident which you can think of and tell us what that was, which gave you that impression?

A Well, not by virtue of the fact that they were or were not members of the Association, but I can think of where I've surveyed jobs - and I prefer not to be specific unless I have to - where the men were working considerably in excess of eight hours and not receiving overtime pay, whereas my records will show my men are, have been, and continue to be paid overtime for anything in excess of the eight hours.

Q You mean that this failure to pay overtime by another contractor was sanctioned by Serratelli?

A That I can't say. I will say that my job was probably policed a little closer than the others.

Q Well, do you know which contractors were in this close relationship with Serratelli, to your knowledge?

A Well, the only thing I can give you to my knowledge was that the Department of Labor sent a representative, the purpose of which is no longer clear in my mind, to check the overtime being paid to people in the garbage business. The fellow, as he walked out of my office with an amused smile on his face, said, "I think I ought to tell you that you're the only contractor whose records I've examined so far who has been paying overtime consistently.

Q But you don't know how this was sanctioned by Serratelli?

A No. I wouldn't be in a position to know that. Only the way the thing looked to me -

I have no proof or knowledge of it.

Q As a member of the Association, do you know whether the Association itself, composed of its members, took any steps to make Serratelli more reasonable in his demands? whether they be your own or demands generally.

A There were several committees formed during the short life of the Association. Those committees and individual members of the committees met with Serratelli on several occasions.

Q Were you a member of any of those committees?

A I think not.

Q Do you know whether any of these committees took any affirmative steps, aside from just talk, to make Serratelli more reasonable?

A I believe the records will show that there were telegrams sent to Serratelli endeavoring to make appointments to discuss wages, and that he either used delaying tactics or refused to meet with them entirely. I'm not sure which.

Q Did you yourself, as an individual, - by that I mean your contracting concern - did that concern, and you on behalf of that concern, take any steps to make Serratelli more reasonable?

A Oh, repeatedly.

Q Now, what would be the affirmative steps, aside from bargaining and negotiations, if any?

A Well, I would go up to see him and say, "Now, listen, what are we going to do? The time is getting short before such and such a case. I've got to know where I'm going."

Q In other words, you're just pointing to discussions. You don't know of anything specific, any specific action that



you took?

A The first purpose that I had in mind, subsequent to the formation of the Association, was the fact that collective bargaining was my only salvation, and I tried to lean as heavily on that as I could.

Q Are you saying now that you never took any affirmative steps other than that part which entered into collective bargaining process or negotiations about wages? any collateral affirmative steps to make Serratelli more reasonable in his negotiations with you?

A No.

Q Did you ever have anyone on your --

SENATOR JONES: Now, wait a minute. Before you do that, I want to ask you something, Mr. Lippman.

BY SENATOR JONES:

Q I think it was Mr. Roselle, and the record will bear me out, who testified before the Committee to the effect that at times he had a suspicion that there was something about the bids that wasn't altogether proper when he reviewed them, in respect to municipal bidding in specific areas in North Jersey. Do you share a similar suspicion?

A I can't think of any specific instance where I could point my finger at it.

Q You don't know of any bid that you've seen in the North Jersey area, over the years, that would cause you to think that there had been some rigging or some complementary bidding of one kind or another?

A No more than in any other business, from an outward appearance. I have no specific knowledge.

Q Now, what do you mean by "no more than in any other

business"?

A Well, I mean, for example if there was one bidder and only one bidder, I don't regard that as indication that the people stayed away for any other reason - for any reason. In fact, quite the reverse. That would indicate to me that there's nothing to indicate that because if the people came in and were higher than the other fellow, there'd be a reason for it.

Q You don't think that there's anything significant about one-man bidding?

A My only reaction from my own experience, because it happened to me on one occasion, I think only one occasion where I was the only bidder, and I think it was just simply because no one was sufficiently qualified, sufficiently equipped to bid the job at that particular time.

Q And you don't think there's anything significant about the wide discrepancies in bidding?

A I can only tell you from my personal experience. I went in and bid a certain job. I was the successful bidder, at \$17,700. The nearest bidder to me was \$41,000. That's about as wide a discrepancy as you could possibly get.

Q You saw nothing unusual in that?

A Yes, I saw something unusual but nothing irregular.

Q O.K. You don't see anything unusual or irregular either, or there is nothing that makes you suspicious about the fact that there is a pattern that follows in respect to bidding, and certain contractors in respect to bidding.

A Well, if they all figured on the same basis, it would be presumed that there would be a pattern.

Q Yes. And you don't consider it irregular to see the same contractors show up all the time in certain areas?

A I don't know that that's the case.

Q You don't know that that's the case. A It isn't true in the cases in which I've been bidding.

Q Well, talking about yourself, you have shown up in a pattern of other contractors in many places throughout North Jersey but the only place that your bidding is successful is, according to your own testimony, in Union and in Monmouth County.

A And I just mention one case of that - I went in to bid and I made a mistake of 450 houses.

Q All right. There was nothing unusual in this series of patterns that I've -- A It was unusual but certainly not irregular.

Q Nothing to cause you to be suspicious that there was some complementary or other kind of bidding going on?

A No. I just cited a specific example of that.

Q All right. Do you have any areas in which you are suspicious of a relationship between a contractor and a municipal official?

A Only what I read in the papers.

Q What do you read in the papers? A Well, I read, for example, in connection with the Fairlawn job.

Q You know about that. You bid that job. A I bid that job.

Q Do you know of any other instances apart from newspapers?

A There unquestionably have been other cases in the last 25 years but I don't - I can't cite them by name of town or name of official.

Q Nor by contractor?

A Nor by contractor.

Q So that in the past number of years, there are cases in your judgment where money does pass between contractors and municipal officials in connection with garbage contracts but you can't name them at this time.

A No. I didn't say that.

Q Tell me what you said?

A I said specifically that I know what I read in the paper about Fairlawn. I said that specifically there have been other cases in my recollection, I don't know whether it was because money was passed or because there were favors done, or anything about it.

SENATOR JONES: All right.

BY MR. GROSS:

Q So that, to get back to my questioning, Mr. Lippman, you know of no incidents where you have tried to make Serratelli reasonable to you, in particular, rather than some other contractor?

A No.

Q Where you've done something to curry favor, so to speak?

A No.

Q One thing first, Mr. Lippman, can you tell the Committee, you talked about trucks before, what the value of an average truck is which you have in your firm?

A Average?

Q Yes.

A Today? I'd say a little in excess of \$3,000, average.

Q A little in excess of \$3,000. Would that be new? That's in its present --

A You didn't ask me that, did you?

Q No. I'm not trying to pin you down, I'm trying

to find out -- A I mean, what the average value of my trucks today is?

Q Yes. A I'd say a little in excess of \$3,000.

BY SENATOR JONES:

Q What do they cost new? A Today's models, a little in excess of \$15,000.

Q This is fully equipped, ready to do a good day's work? A Ready to start to work, yes.

Q And how many of the new ones do you have? Do you have any brand new ones? A No.

Q How old are your trucks? A From two years to twelve years, I guess.

Q And striking an average, you would say your average truck was worth around \$3,000. A That's right.

BY MR. GROSS:

Q Mr. Lippman, going back to relations with Mr. Serratelli, have you ever had any contractual relations with him? A None that I can recall.

Q Non that you can recall? A None that I can recall.

BY SENATOR JONES:

Q Other than your labor relation contracts. A I thought you meant personally.

BY MR. GROSS:

Q Yes. A None that I can recall.

Q Well now, on behalf of the firm. I mean that too.

A Yes, on behalf of the firm too.

BY SENATOR JONES:

Q Both firms? A Both firms. None that I

can recall.

BY MR. GROSS:

Q Have you ever had any relationships, contractual, with Serratelli which involved the purchase of trucks or sale of trucks?

A I know what you're referring to now. I did not know at the time of purchase, or subsequent thereto, that Serratelli had any proprietary interest whatsoever in those trucks.

BY SENATOR JONES:

Q Well now, let's describe the transaction.

BY MR. GROSS:

Q Let's go to when this transaction took place.

A Well, you'll have to refresh my memory on the date.

Q Let's go at it a different way, Mr. Lippman.

You say that you never knew that Serratelli had any interest in some trucks.

A That's right.

Q Maybe that's so, maybe he didn't. But there was a transaction which involved, or in which Serratelli became important, an important figure. In that transaction, who were the trucks purchased from? another contractor?

A I was in need of some trucks and Serratelli, as I remember it, came to my office and said Frank Stamato has - I think it was five White cab, over-engine 1950 or '51 trucks - I forget which it was, which he wanted to sell.

BY SENATOR JONES:

Q Now, Frank Stamato, let's identify him. Frank Stamato was Frank Stamato & Company of Lodi, a garbage contractor. Is that right?

A Yes. He operates

under several, or a few names, I don't know which.

Q He operates under several names, one of which I described, and his locale of operation is generally Bergen and Passaic Counties, is that right?

A No, I don't think that's right.

Q Please tell me what is right.

A I know he has contracts other than up there. In fact, I would say he has almost as much outside of that area as he has in that area, in my opinion.

Q Fine. He has them in Hudson County?

A Hudson County, Middlesex County.

Q Middlesex County. Any in Union?

A No.

Q All right. So he's a large garbage contract operator, isn't he?

A That's right.

Q He does a very substantial amount of business per year, doesn't he?

A Yes.

Q He has a large fleet of trucks. Right?

A Yes, by comparison with most of the people.

Q Right. He's one of the big boys in the business, isn't he?

A I think when I was active I ran almost

as many or more trucks than he does.

Q O.K. That means you were two big boys in the business, then.

A There were three or four of us.

Q All right, three or four of you. I'll take your numbers. They're yours. All right, we've identified Stamato sufficiently.

Q Now, what about Stamato? You were looking for some trucks, right?

A Right.

Q What kind of trucks were you looking for?

A Garbage trucks.

Q And what kind of garbage trucks? the packer type trucks?  
A Yes.

Q What year? A Anything that wasn't obsolete.

Q Anything that wasn't obsolete, anything that would give you a good day's work?  
A That's right.

Q What did you want to pay for them?

A Whatever the going price was.

SENATOR JONES: Go ahead, Counsel.

BY MR. GROSS:

Q Mr. Lippman, did you in the process of acquiring these trucks, were you in touch with Stamato directly?

A Yes, his brother.

Q Who would that be? A I don't know whether it was -- I tried to find out -- I don't know whether it was Vito Stamato or Patsy Stamato.

Q And you say the person that you talked to first was Stamato? or one of the individuals in the Stamato firm.

A I didn't speak to any of them first. I called up my garage on the phone and my associate and my mechanic went up to look at all the trucks.

Q I see. And was there a report sent to you on the trucks? A They came back and I went up the next day or the day after.

Q Do you have any written appraisal which they submitted to you on the trucks? A No.

Q Was any such appraisal requested by you? A No.

Q You went up to see the trucks personally?



A That's right.

Q Where were the trucks? A In a barn off one of the main routes up there, it's either 4 or 46, I'm not sure, - one of those main cross traffic --

Q And I take it that you decided you would want to purchase the trucks if they were appropriate? A I selected the two out of the group shown me which to the best of my recollection were five.

Q I see. What type trucks were they?

A They were White cab, over-engine, with, I think, Garwood bodies, either Garwood or Rotapack bodies.

Q And what year would this be? What year were the trucks, rather? A I think they were either '50 or '51.

Q Now, who did you speak to about making the purchase?

A Originally? Serratelli.

Q Originally? This was before you went to look at the trucks? A That's right. I so testified.

Q Oh, I thought you had spoken to Stamato first.

A No, I so testified.

SENATOR JONES: He said Serratelli.

Q What was your original conversation with Serratelli?

A "You need some trucks. It's about time you got some of those crates of yours off the road."

BY SENATOR JONES:

Q This was Serratelli to Lippman? A That's right. "You said you needed some and Frank Stamato has some to get rid of."

BY MR. GROSS:

Q I see. There was no further discussion with Serratelli?

A That's right.

Q Now you began negotiations with Stamato? as to price?

A No. I don't recall that.

Q You don't recall that.

A I went up to look at the trucks and I think that Serratelli reported back the price to me. I couldn't be too sure of that but that's my recollection.

Q Serratelli reported back the price?

A That's correct.

Q You regarded him as a broker or an agent of some sort?

A Well, if you're asking me did I expect that he had anything to gain by selling me the trucks, if the situation were reverse, anybody that came in - as I sold some trucks the other day, I gave the fellow \$100 that sold the truck for me.

Q In other words, you realized that he was an agent.

A I realized that he probably had something to gain, yes.

Q And had a financial interest in this transaction.

A But I didn't regard that as significant one way or the other.

BY SENATOR JONES:

Q While it wasn't significant, we ought to establish for the record then that you knew that Serratelli was engaged in making some money.

A No, I didn't know that. I thought that. He could have been doing it for one or two reasons, or one of three reasons. He could have been doing it to be a nice fellow to Stamato; he could be doing it to be

a nice fellow to me, which I doubted; or he could be doing it to make himself a few dollars.

Q O.K. Did you ever find out which reason he had in mind?  
A I never asked.

Q You never asked. A I never asked.

Q You never knew? A I never knew.

Q No one ever told you? A No one ever told me.  
Excuse me. Yes, they did tell me.

Q I thought maybe you'd recollect. What did they tell you?  
A The Assistant Attorney General informed me for the first time that those trucks - that Serratelli had a proprietary interest in the trucks, that he bought them from Stamato for a certain price and sold them to me for a certain price. Prior to that I did not know it.

Q All right. Was your price a fair price to you, did you think?  
A Yes.

Q O.K. A The thing I can further establish that that was a fair price --

Q Now, what was the price that you paid?  
A \$7500.

Q For the two of them? A For each.

Q For each. Did you find out -- When you pay \$7500 each for a truck you get a bill of sale, don't you? That's a part of the transaction.  
A Right.

Q That's a lawful way of proving title in you, of the truck. Right?  
A Correct.

Q You got a bill of sale for \$7500. Who signed the bill of sale?  
A It didn't show on my bill of sale.

Q It didn't show? A No.

Q You got a blank bill of sale? A No. I purchased the trucks through the National State Bank.

Q Right. A I never saw the papers before they were turned over to the Bank. They were turned over, as I have done frequently, on occasion. I simply call them up and say, "I'm picking up a truck." Or in a few cases where I bought new trucks, I'll say, "Somebody's delivering a body and the other party is delivering a truck. Pay them and I'll be up this afternoon and sign the papers." I never saw the papers.

Q You never saw the papers, then? A No, sir.

Q Did you find out how much -- you knew you paid \$7500 and you found out later that there was a proprietary interest in Serratelli, which eliminated the question that he might be doing you a favor or Stamato a favor. Right? A Yes. That was within the last couple of months, by the way.

Q All right. Today is today. The transaction remains. What was the profit that Serratelli made on the sale of those trucks? A According to the information that was passed on to me, \$3500 per truck.

Q So that what you are, in effect, saying is that Serratelli came to you and he said, "Get your pieces of junk off the road and buy two new trucks from Stamato, who has them, along with three or four others." You accepted the invitation. You looked at the trucks. You decided they were worth \$7500 apiece and you bought them from Stamato and you later found out that in respect to each of those trucks Serratelli made a \$3500 apiece profit. A That's correct. Are

you interested in knowing what happened to those trucks, Senator?

Q Well, I haven't had much interest in what happens to old trucks but I'd like you to tell me. Go ahead.

A One of the trucks we advertised in the paper and we sold one of the trucks after, I think, three years of use, in very bad condition, for \$2750.

Q I see. A The other one we still have in use. That's after six years.

Q In other words, as far as you're concerned then you made a fair market price, a fair value buy. A That's right.

Q O.K. Then whoever sold the trucks at \$7500, if he gave \$3500 to Serratelli on each truck and sold them for \$4,000, he was, in effect, losing \$3500 on each transaction. Wasn't he?

A Well, I can't translate that into terms of trucks but in terms of real estate - a willing buyer and a willing seller got the price they were looking for.

Q Right. But the point is that -- you know you volunteered this, not me. You said that you paid a fair value, a fair market price for the trucks. A That's right, in my opinion.

Q In your judgment those trucks were worth it, a fair market value. A That's right.

Q Now, if that was fair market value, then as it relates to the fellow who sold them, if he paid \$3500 apiece on those trucks to Serratelli, in respect to fair market value he lost \$3500 on each transaction. Didn't he?

A Unless he knew something about the trucks that I didn't know, as buyer.

Q Well, even that hasn't proved out because the trucks were in good shape, you used them and sold one at a fair market price later on and one is in present use. So that isn't true, your supposition, then. A Except this, that the truck that we sold, we had trouble with it overheating and we spent a considerable amount of money trying to correct it and we sold it because we couldn't correct it.

Q Well, all right, let's forget about whether somebody who sold it to you lost money or not. The fact of the matter is, within a day's time Serratelli was \$7,000 richer. Is that right or wrong? A If those are the facts. I don't know it, except what I was told.

SENATOR JONES: O.K.

BY MR. GROSS:

Q Mr. Lippman, on the same point, you knew that Serratelli was involved directly in this in a financial way. Would you tell us who your check was made out to?

A I don't know.

Q You don't know at all? A No.

Q Well, you've had occasion, very recently, to this very date to see the actual check that you made out. Didn't you? A I never made out a check.

Q You never made out a check? A No.

BY SENATOR JONES:

Q How did you handle that? A I called the bank and said there was a man coming up with some bills of sale on a truck, will you please take it in and I'll be up this afternoon and sign the papers.

BY MR. GROSS:

Q Who was the man coming up with the bill of sale?

A Serratelli.

Q Serratelli had the actual bills of sale?

A As far as I know, yes.

Q And he had been sent up to the bank and was doing this work, to complete this transaction. Wasn't he? And he was the one who was going to set it up at the bank and determine who --

A The setting up was entirely within my province.

Q Well, at your initial instructions. A Yes.

Q But the boy doing the leg work here, and the boy who had set up everything, and the boy who ultimately benefitted was Serratelli. Isn't that so? A Yes, as it subsequently developed, yes.

Q And in fact you knew that Serratelli had acted as a business agent before, didn't you? A Business agent for what?

Q Well, aside from this particular transaction, you knew of your own personal knowledge that Mr. Serratelli had performed other services, other than this particular time, in which he did not benefit as a union representative alone, but personally. Isn't that so? A None that I can recall. I wish you'd refresh my memory.

BY SENATOR JONES:

Q Then am I to understand that you are telling the Committee that you had no notion that Serratelli was in other businesses or in other transactions for his financial gain, other than his employment as a business agent of Local 945?

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you could call -- the registered office of my corporation is in Shrewsbury. I correct that. She did appear at the office of the corporation.

Q You saw her at Shrewsbury -- A Which is my home.

Q -- which is your home. A That's right.

Q But as far as your business office, you never saw her there. A She never appeared.

Q Right. And when you saw her in Shrewsbury, you didn't see her more than once or twice, did you?

A Twice.

Q Now, in 1953, then, she became a member of your staff at \$400 a month and she never appeared at your office and she appeared twice in your office at Shrewsbury for all other times. Now, when did she get off your payroll?

A I'm not sure of the date. I think it was toward the end of '54.

Q So that she was on your payroll -- what month did you say in 1953? A Around the middle. It could have been June or July.

Q June or July of '53 and she got off your payroll one year and how many months later? A Three or four months later.

Q All right. So that she was totally on your payroll then approximately 15 months. A That's right.

Q How did she get on your payroll? A I put her on.

Q And how did you come to put her on your payroll?

A Because I felt that she would be in a position to do something constructive for a new activity which I was creating at that time.

Q And you talked to John Serratelli about putting her on your payroll, didn't you? A Initially? yes.

Q You arranged the proposition with him.

A Correct.

Q This is not something he did, this is something --

A I did.

Q -- you did. Right. And you asked him if you could employ his wife? A Initially, no. Initially, I

think I discussed the possibility of having him do the work and --

Q All right. Let's stop there. A Yes, sir.

Q You had some work in mind that you wanted to get done. In your business judgment, as you proceeded to determine how this work should get done, you thought that the likely man to do it would be John Serratelli himself. Isn't that right?

A Initially, yes.

Q Right. A For lack of somebody better.

Q Right. Now, let's stop and tell us what the work was that you had in mind. A At that time there

were no disposal areas. Fereday & Meyer was handling the dumping area, as well as the garbage business. Although at that time we had an authorized rate in Elizabeth of 20¢ a yard, which had been in existence for a number of years, we had run more or less a haphazard dump, - not insofar as it's cleanliness and policing but I mean so far as collecting the

money. When I made a spot check, I recall in one case where a man was paying on the basis of 15 loads and I think he brought in 197. So at this time or shortly thereafter, I put a man as a checker in the area and we saw that we were not being paid at even 20% of our minimum or 15% of our minimum for what actually was being dumped. So I realized that something should be done because when I took a cost analysis I found that we were actually losing money on the outside dumping. I spoke to Serratelli and, initially, was going to do business with him. Then I thought better of it and as long as I had spoken to him I determined that it could be done by his wife, if not as well - I was willing to take a chance and see how it would go.

Q Well, what was it that you wanted Serratelli to do? I mean, I have listened to your explanation here about something was the matter at the dump, but what did you want Serratelli to do, Mr. Lippman?

A At that time I didn't know more than probably half a dozen or ten of the contractors even by sight, in the business, maybe 15 of them. There was a great deal of industrial waste that was being dumped that wasn't paid for. I felt that in proper hands I could acquire a considerable amount of new business. At that time dumps were in supply rather than in demand.

Q So that in effect what you're telling me is that you thought that you could acquire new business for your dump and that the man you thought would be a good man to get the contractors to use your dump was John Serratelli. Isn't that right?

A That's right.

Q Because you recognized that Serratelli had great

persuasive powers with contractors.  
he had the contacts.

A Well, at least

Q Now, talk to me about persuasion. Never mind contacts. Let's talk about persuasion. It was your business judgment that he had considerable capacity to persuade a contractor to come to your dump. Is that right?

A But at that time the potential customers were not companies over which he had any, as you say, power of persuasion, for the most part.

Q Well, he had power of persuasion in any company, didn't he?  
A I don't think that he had any contacts with the private scavengers or with the industrial accounts. If he did, I didn't know it.

Q You didn't know it?  
A No, sir.

Q You knew nothing then about the private scavenger association?  
A That was after this time.

Q You knew nothing about his relationship to private scavengers at this time?  
A The only private scavenger association which I knew of was incorporated in March, 1952 by a group which I am sure he had nothing to do with.

Q Well now, are you suggesting that all the garbage contractors who were not private scavengers, all came to your dump irrespective of any relationship that you might have with John Serratelli?  
A Well, the proof of it is that over the period of time mentioned I can only point my finger at one account which he got for me. Of course, that was a fairly -- which she got for me. I beg your pardon.

Q You want to revise the statement, "The one that he got for you" to "she got for you" - Is that right?  
A That's right.

Q Well, what was that very substantial account?

A Well, originally it was substantial, afterwards it didn't prove so substantial.

Q All right. It was substantial when you got it.

Who was that?

A The Michael Scatuorchio account.

Q And Michael Scatuorchio is the Jersey City Garbage Contractor?

A Correct. No, at that time the old man had died and the sons were operating and the sons bid on a job in Rahway.

Q And they got the job?

A They got the job.

Q And Serratelli got them to dump in your yard?

A Right.

Q And while they were there it was a substantial account.

A It may have been Serratelli but as far as I'm concerned --

Q So far as you were concerned it was Mrs. Serratelli.

A That's right.

Q She was persuasive with the Scatuorchios.

A That I don't know.

Q All right. Is that the only account she got, or he got?

A Well, the only one that I can specifically say or the only one that was indicated was the result of their efforts.

Q Now, how did you know?

A Because when --

Q Now, the average salesman - I suppose that's what these people were - or the average business getter, he usually, to show that he's worth whatever the check is that's being delivered to him weekly, runs into the boss and says, "I just

nailed this account for us." Now, how did it happen? That's what an average situation is and it's a part of ordinary business. Now, how did you find out? A I think I did get such a call but, as you say, it was not from Mrs. Serratelli but I think that Mr. Serratelli called me and said you will receive a call from one of the Scat boys.

Q O.K. A I subsequently got a call from, to the best of my recollection it was Mike.

Q O.K. So that Serratelli did call you, Mr. John V. Serratelli did call you and he did say to you, "I got one of the Scat boys to dump his stuff in your Elizabeth dump and he'll be in touch with you shortly." And the fact of the matter was, Mike Scatuorchio did get in touch with you and he did dump.

A All he told me over the phone was, "You'll get a call from the Scat boys."

Q O.K. Now what other business came to your attention that he or Mrs. Serratelli got for you? A There may have been some others but if there are, I don't recall them.

Q What's that? A There may have been some others but if there are, I don't recall them.

SENATOR JONES: O.K. Now, do you want to continue on Scatuorchio for a minute, Counsel.

BY MR. GROSS:

Q Mr. Lippman, who was it in the Scatuorchio family that called you? A I am a little vague on it but I think it might have been Nick.

Q Nick? A I think so.

Q What position did Nick Scatuorchio have in the --

A I don't know.

Q You don't know that. A He was one of the three brothers. I don't know what his title was, because I subsequently had quite a bit of business with all three of them, as an indirect result of this transaction.

Q All right. Now, what did Nick Scatuorchio, or whatever one it was - what did he say to you when he first started talking to you? A "I want a dump for Rahway. What can you do

for me?"

Q Well, did he say why he happened to be calling you?

A Because he wanted to dump. He had just gotten the bid.

Q Why did he select you. He must have said something, didn't he, as to why he was calling you? A Well, I don't recall his exact words but, I mean, it was to the effect that it had been suggested that he call me.

Q Well, did he say who suggested that? A It could have been that he said Serratelli. I don't know. I don't recall.

Q It could have been? A It could have been.

Q Well, you've recalled in the past, haven't you, Mr. Lippman, what he actually said? A Well, that's the essence of it. I mean, I don't recall.

Q Well, it's a little more definite than that he could have said that, isn't it, Mr. Lippman? A Well, at the moment I don't recall exactly any further than that, or what I said on the occasion that you mention. But in essence that's what it was.

Q In essence that's what it was. A That's right.

Q And you knew that the result was that Johnny had told Scatourchio to call you and that's why he was calling you.

A Probably.

SENATOR JONES: Let me know when you are ready to get on another subject matter. Are you ready now?

MR. GROSS: Yes.

SENATOR JONES: Well, just before you do that --  
BY SENATOR JONES:

Q Mr. Lippman, these are the checks that you have paid -- They're signed by you, that's your signature. They are the checks that were paid and drawn to the order of Helen V. Serratelli in the amount of \$400 a month? A Yes, sir.

Q For the period of time in question? A Yes.  
I signed most of them.

Q Do you have any objection to our putting them in the record? A No, sir.

Q Mr. Lippman, there's one check here that I don't understand. It's for January 4, 1953. It's made out to cash. It's for \$400. It's endorsed, "For deposit, Alfred J. Lippman."

A I've probably got a great many of these. This has nothing to do with the transaction you have in question.

Q It has nothing to do. A I don't even know where you got it.

Q In other words, that particular \$400 item, where you endorsed a \$400 check, you didn't turn over the cash to Mrs. Serratelli? A I didn't cash it. I deposited a check. I deposited it to my personal account.

Q In other words, this is a \$400 check out of your



account into a personal account -- A That's right.

Q A corporate check into your personal account.

A That's right.

Q No relationship to Serratelli. A That's right.

Q All right. Now, are you acquainted with Mrs. Serratelli's signature? A No, sir.

Q You're not. You never knew anything about her transactions in connection with these moneys, save and except as they appeared endorsed. A Well, I saw those checks afterwards.

Q When they came back. A No, I didn't see them as they came back. I saw them when they were assembled for whatever purpose they were.

Q You never saw these checks before? A No. I saw the checks when they were shown to me within the last two months, but I never looked at them after they came back from the bank.

Q I see. In other words, they went through your usual -- A Routine of my office.

Q -- financial procedure, accountants and so forth, and you paid no attention to how they were endorsed.

A That's correct. I would have no occasion --

Q Until two months ago, you didn't know how they were endorsed. A That's right.

SENATOR JONES: O.K. Well, I'll offer them since you have no objection.

THE WITNESS: I have no objection.

(Checks referred to received in evidence and marked Exhibit A-11.)

Q Now, all of these checks too, I think the record ought to indicate for the time being - and you do not disagree, I'm sure, Mr. Lippman -- all of these checks indicate a deposit at the National State Bank. Is that the name of it?

A I'm sure that's not the case.

Q Well now, where were they deposited?

A I haven't any idea.

Q Well this endorsement -- A You're looking at my check, Senator.

Q Oh, this is yours. All right. I beg your pardon. You're quite right. Well, all of your checks were drawn on the National State Bank. A That's correct.

Q Now, with the exception of the moneys that went to Serratelli direct on the trucks, and with the exceptions of the moneys that have gone to Mrs. Serratelli in respect to her employment with you, were there any other financial transactions between you and Mrs. Serratelli? A Well, may I say something, Senator?

Q You can say anything you want to say, Mr. Lippman.

A I can't say from my knowledge that any of the proceeds from these trucks went to him. I'm merely taking the word of the Attorney General's office, which I presume is good.

Q I think you made that clear before. There is no effort here to put anything in your mouth. A I don't know it of my personal knowledge. These checks, there's no question about. They were done with my knowledge and --

Q But, assuming for the purpose as stated in the record, and beyond that, no other purpose, which was that Serratelli apparently made a \$7,000 gain in connection with trucks which you purchased, and that Mrs. Serratelli was on the payroll for approximately 15 months at \$400 a month, - are there any other financial transactions between you and Mrs. Serratelli or you and Mr. Serratelli? And I mean by that, John V. Serratelli and his wife Helen Serratelli.

A None of any important nature. I mean, I may have cashed a check for him as an accommodation for \$50 or \$25, I don't know.

Q But there's no consideration -- with consideration, no.

A Anything

Q That does it.

A And as far as these trucks were concerned, I had no knowledge of it at the time, that he had any interest in it, except as indicated.

Q O.K. Well, you've made that abundantly clear, I think. Now, Mrs. Serratelli never reported to you about her work activities, did she?

A I think I talked to her on the phone a couple of times, as I indicated in my previous testimony.

Q In other words, you saw her twice. her twice.

A I saw

Q And you talked to her only twice. times.

A A few

Q A few times? Three or four. I want to be generous.

A Well, I mean I wouldn't want to pin it down as to how many, not too many.

Q Not too many times over a period of 15 months you talked to this woman about the fact that she was working for you

at the rate of \$400 a month. Right? A That's right.

Q Did you talk to Serratelli at all about her employment with you and what she was doing? A Just before --

Q And how hard she was working, etc. A Just before her second trip down to my house, I had spoken to him, I wanted to tread as lightly as I could, that the whole thing had been a disappointment to me and I would certainly like to see the thing work out better, and I wasn't satisfied. And that was shortly before her second visit to my house.

SENATOR JONES: All right, Counsel, you may proceed.

BY MR. GROSS:

Q Mr. Lippman, how many conversations, about, would you say you have had with Mr. Serratelli, as far as the business end of this was concerned? not union work. A You mean as far as my arrangement with Mrs. Serratelli?

Q Yes. A A few.

BY SENATOR JONES:

Q Incidentally, didn't you ever have in mind that if you could get Serratelli or Mrs. Serratelli to work for you under these pleasant working conditions that it might be very helpful to you in your labor relations with Serratelli?

A Well, I didn't specifically think of anything from that point of view. I thought at the time I did it that it looked like a good business risk for the return I would get in connection with a specific job. I suppose, looking at it in retrospect, it would appear, and maybe with justification, that I certainly didn't expect our relationship to be any worse.

Q You didn't expect that if you put his wife or himself on your payroll that would have altogether the same bitter enemy that you had in labor relations before, did you?

A Well, a peculiar thing, it was never in recent years what you might call bitter, he would just smile and do as he pleased.

Q All right. Well then, it was pleasantly that he did as he pleased. I don't care which way he did it. I don't think that's important.

A I mean, I don't want to give the impression that every time we looked at each other we looked daggers, because he called me by my first name --

Q No, because you didn't.

A -- and I called him by his. It was always with a little cloaked formality.

Q Well, that's fine. You called him "Mr. Serratelli" and you called him "Mr. Lippman."

A No, he called me by my first name and I called him by his first name.

Q All right, and you said it was a beautiful day, the sun's shining, etc., and there was never a bad word, apparently, between you, but the point is that you could hardly have expected rigorous treatment at his hands if he had been an employee on your staff. Could you?

A Well, he wasn't an employee on my staff.

Q O.K. But when you talked to him for that purpose certainly that must have been a part of your motivation and plan.

A It wasn't a consideration at that time. I suppose looking back at it I probably didn't expect to get any worse treatment than before.

Q And you would say then the same thing was true of the actual fact of your putting his wife on your staff?

A No. The purpose of putting his wife on was with a specific purpose in mind which subsequent results showed my judgment was correct because I increased the business, not through her efforts but through other people's efforts.

Q Well then, your judgment as to her was wrong, wasn't it? A That's right.

Q Well now, listen. Let's take a look at this wife of John Saratelli's. \$400 a month is almost \$5,000 a year. I would think that such a position would warrant some examination of the employee. What was her background before you put her on your staff? A None that I know of.

Q None that you know of. Had she ever worked for a garbage contractor before, acquiring loads of garbage for a dump? A My supposition would be no.

Q Had she ever worked in the garbage business in any respect, as far as you know? A I don't know.

Q Had she ever sold anything? A I don't know.

Q Had she ever bought anything? A I don't know.

Q What was her last previous employment?

A I don't know.

Q When was it that she worked last? A I don't know.

Q How long had she been a mother? A Over 30 years, I guess.

Q How old was she? A My guess would be in her forties.

Q And a mother for 30 years? A Why not? I think she's under 50.

Q All right. A I think she's still under 50. I don't know.

Q You mean she's arrived at that point where she is now standing still with her years? A I mean, I have no reason --

Q Let's not make her any different than all the ladies we know, in this connection. Did you ever find out how she started her employment activities? A No.

Q --prior to marriage? A No.

Q So you didn't know then about Mrs. Serratelli, whether she had been a stenographer, a broker, a Wall Street operator, or anything you can name. You knew nothing about her employment background. A I think that rings a bell a little bit. I think she was a Secretary, I heard at one time.

Q She was a secretary. A But that had no bearing on my judgment as far as her employment was concerned.

Q I was just going to ask you if you thought that private secretaries were particularly qualified for arranging to have garbage dumped in Elizabeth. But you don't think that that's true, do you? A Well, I've known some of them but I don't know that this one --

SENATOR JONES: All right. Take over,  
Counsel.

BY MR. GROSS:

Q Mr. Lippman, were you aware that Mr. Serratelli, John Serratelli, understood that this would not have been a good deal unless he supported his wife and did a great deal of this work? A Was I aware of it?

specifically, no.  
Q Specifically, no. In other words, he didn't say "I'm aware of it." but it was understood, wasn't it?

A Nothing was understood except the employment spoke for itself and the correspondence which I've had with him which you have as a matter of record.

Q Well, when you say that you had three conversations with Mr. Serratelli and three with Mrs. Serratelli, would you say now that you had about an equal number of conversations with each?

A No. My guess would be that I probably had more with him.

Q We are talking now only about this employment relationship.

A I think I spoke to him prior to her employment -- I spoke to him about her employment prior to my employing her, more than I spoke to her.

Q And what about after the employment started?

SENATOR JONES: Well, he testified that he saw her twice in Shrewsbury and talked to her a couple of times on the phone and that was it.

THE WITNESS: That's right.

SENATOR JONES: That was during 15 months.

THE WITNESS: That's right.

Q But you spoke to him many times?

A Well, I spoke to him innumerable times and I was just trying to reach back and see whether in the course of our conversations we talked about this particular thing.

BY SENATOR JONES:

Q Let me ask you something, Mr. Lippman. Do you know whether or not Helen Serratelli received this money?



A I presume she did.

Q It's presumption. A Yes, sir.

Q Then in all fairness to yourself, as a witness, you cannot say whether she did or did not receive the money. Can you?

A No, except that I saw -- yes, I can, too, because I understood from the Attorney General's office that one of the endorsements was her endorsement and the other checks were entirely deposited to her bank account.

Q Well now, what does that mean? I don't quite understand that. I asked you a very simple question.

A You asked me did I think she received it.

Q No, I don't ask you what you think. That's the point. That's unfair to you. You can think anything. I am just trying to keep you within the general confine of what you know. I asked you simply, do you know whether she received the proceeds of these checks upon their being negotiated or not?

A Only in so far as the checks speak for themselves.

Q So you don't know. A No, sir.

Q Now, the few times you saw her, did she acknowledge to you that she was getting the money and was appropriating it to her own use? A The only specific discussion I had about that - I said, "I hate to spoil this pin money deal, or something, but I don't see how far we can go along unless we can get additional revenue on this, Mrs. Serratelli."

Q You said that? A That's right.

Q And did she acknowledge that it was her pin money or did she then say to you, "Now, look here, this is no money of mine." A That she definitely did not say.

Q She said nothing. A She may have said yes, or something like that. She's not a very talkative --

Q Yes to what? A That the deal hadn't been very satisfactory from my point of view and she may have agreed with me. I don't know.

Q I see. But she didn't talk about pin money then?  
A No.

Q Is a hundred dollars a week pin money in the garbage business?  
A Well, I was just trying to be a little subtle as far as she was concerned. I was trying to minimize.

Q It was a subtlety as to her. A That's right.

Q It was a hundred dollar a week subtlety.

A Eighty dollars.

Q Eighty dollars a week. O.K. But she then never acknowledged, as far as you could make out, that she got the money.  
A Other than that, no.

Q And she never disavowed it. A No. But she did sign one of the checks, personally.

Q Did she ever talk to you about any of her personal financial affairs?  
A I'd have no occasion.

Q No occasion to talk with her. A No.

Q You'd have no occasion to know how much money she took in or how much money she disbursed. A No, I would have no --

Q That's not within your knowledge. A I would have no reason to know.

SENATOR JONES: Fair enough. Just answer the questions.

BY MR. GROSS:

Q Mr. Lippman, where did you send these checks?

A I can't tell you the address. I don't know. It was

probably up in Parsippany-Troy Hills somewhere. I don't know.

Q Would your records indicate where these checks were sent to? A Probably not. I don't know.

Q Probably not? A I mean, I just wouldn't know.

Q Would you try at your convenience to see if you can find out where they were sent? You knew that Mr. Serratelli was rendering assistance and actually performing the work, didn't you, Mr. Lippman? A Well, inasmuch as there was nothing done other than that first occasion, I would say that he wasn't rendering any assistance.

Q Well, you knew that he actually had done the work on that particular account.

BY MR. JONES:

Q On the Scatuorchio account. Right?

A Only to the extent that he called me and said, "They're going to call."

Q When was that in relation to his wife's employment? How many months had she been on the payroll?

A I can't tell you that. I would say within the first few months.

Q Within the first few months. A I may be wrong but that's to the best of my recollection.

BY MR. GROSS:

Q You knew that for the relationship to be a fruitful one with Mrs. Serratelli on your payroll, John Serratelli would have to be doing something, some work? A Well, I think that's a safe presumption.

BY SENATOR JONES:

Q Mr. Lippman, let me ask you something else. Now, Just so that we tie this down, - whatever services she may have rendered, these were the only services she rendered. Isn't that right? A No.

Q Well now, let's get to that. I'm curious about that. Did she do anything else for you? A Well, I started to mention that before. As an indirect result of this contact with the Scartuochios, although they were in the business I never talked to them before in my life and didn't know them - when they got into financial difficulty and their bonding company was going to take over, they apparently mentioned that our relationship had been sufficiently satisfactory, and as a result of that, the bonding company called me up and although another contractor offered a lower price than I did for completing the job, they gave me the job. So I would say that a pretty close result of this contact with Mrs. Serratelli resulted in \$150,000 worth of business to me.

Q Yes, but she didn't render that service to you.

A Well, it was a definite chain of circumstances which she created.

Q Yes. Incidentally, you ought to be careful about this for record purposes -- I want to be fair to you. You just before suggested that it was Mr. Serratelli that arranged the Scartuorchio thing -- A No, I didn't.

Q You didn't? A No, sir. I said that Mr. Serratelli was the one who called me.

Q Well, he's the one who got in touch with you.

A He's the one that called me.

Q Right. She never called you. A No.

Q She never told you anything about --

A But I don't know whether he got it or she got it.

Q You think because you don't know that, you're assuming that she may have got it. Is that it?

A No, I'm not assuming that she didn't.

Q O.K. But that is the only other item then. There were no other services? A There may have been a few but they were insignificant to the best of my recollection.

BY MR. GROSS:

Q I take it that you didn't call up except for this very last instance, you didn't call up Mrs. Serratelli and say, "Let's get on the ball here; let's get some work. I've only had one job." You didn't do anything like that, did you?

A No.

Q Did you feel free to call her up and tell her that?

A Yes.

Q Well, Mr. Lippman, have you ever said that you didn't feel free to call her up? A No.

Q You've never said that? A Not that I recall.

Q You remember testifying before the Union County Grand Jury? A Oh, yes. I mean, on an unimportant --

Q I just want to put it clear to you..

A But on an unimportant matter like that, what it says there could easily be true. I can only tell you this that I have a man who is a cripple working for me now on a commission basis, supposedly to get business, in South Orange. I am sure that he would testify that I haven't called him up twice in the seven months that he's been doing business for me.

BY SENATOR JONES:

Q Well then, are you suggesting that somebody else does?  
A No.

Q Does Walter H. Jones do it? A No.

Q Does Mrs. Shapiro do it? A No.

Q Then nobody calls him up. Is that it?

A Well, he calls in maybe once a week with any new business that he gets.

Q Then there is a type of formal business relationship which is --  
A Oh, yes.

Q -- carried on in an effective ordinary practice way, isn't there?  
A I'm not drawing any direct parallel, Senator. I'm only saying that I prefer to do business in an easy way.

Q O.K. The easy way. A An easy-going way.

BY MR. GROSS:

Q Were you afraid of Mr. Serratelli at any point in your relationship with him?  
A Never.

Q You never were afraid of him at all? A Never.

Q Did you ever adopt any relationship or employ anyone else in order to be a contact man with Serratelli?

A Yes, I did.

Q And was that relationship formed in order to separate you from Serratelli in a personal sense?

A No. After this relationship was terminated that you mentioned, - a matter of a few months - I don't recall how long it was - I hired somebody else --

BY SENATOR JONES:

Q Now, what was terminated in the matter of a few months?

A This employment of Mrs. Serratelli.

Q Right. Well, that's 15 months. Then you severed that relationship. You called her up and told her she was not going to get a check --

A No, no, I told Serratelli to bring her down to my home that I wanted to talk to her.

Q O.K. That ended that. A That's right.

Q Which is one of the two times that she was at your home? A Right. I think it was a matter of a few months after that that the thing was terminated.

Q Right. O.K. Now, Counsel is asking you what you did thereafter in the way of protecting yourself against Serratelli. Isn't that essentially what he asked you? A He asked me was I afraid of Serratelli and I said, no.

Q All right, you're not afraid of him. Did you do anything to put yourself in a position in connection with Serratelli that would put you in a strong position?

A Only in so far as negotiating or labor relations were concerned; but as far as being afraid, no.

Q All right. Well, what did you do as far as labor relations were concerned? A I hired a man for, I believe, the same rate of pay as Mrs. Serratelli had been getting, supposedly for the same duties.

Q What was his name? A Covlick.

Q What was his first name? A Phillip.

Q Where did he live? A He lives in Florida.

Q Where did he live then? A I think at that time he was either at the Douglass Hotel in Newark or at the Plaza in New York. I'm not quite sure which.

Q Did you know his background? A At that time, no.

Q When did you find out his background?

A I'm not quite clear on it, as to just when. I don't remember.

Q Well, what was it when you found it out?

A Well, he had had some brushes of some nature with the law. I don't know what specifically they were.

Q Well, that's a cavalier approach to having some difficulties with the law. What in specific would you say were his brushes?

A Well, I can't give you the specific charges but they were serious enough for me not to be pleased about.

Q O.K. Well you knew, for instance, that he carried a gun, didn't you?

A I'm sure he didn't.

SENATOR JONES: Take over, Counsel.

BY MR. GROSS:

Q Mr. Lippman, on this business of a gun, and your statement that you weren't afraid of Serratelli at any time, was there any one that you employed that had a gun?

A Me.

Q Yes. Now, where did you keep this gun?

A Well, for several years I kept it in my pocket and the rest of the time I kept it at my home, and I still do.

Q In other words, you carried it around your person pretty much of the time.

A Only, -- Not in the last, - I'd say 15 years or 12 years, when I was having difficulty with the union at the outset.

Q In other words, you carried it for protection.

A That's right.



Q Maybe you were a brave man and you weren't afraid but you carried this to protect yourself. A Well --

Q And wouldn't it be fair to say that you hired this Covlick also for protection, as an intermediary?

A As an intermediary and as a buffer, yes; but as for protection, no.

Q Well, as an intermediary and a buffer, this would mean that you would get farther away from Serratelli and have some one in front of you, so to speak. A No. Well, as a matter of fact, for the last two or three negotiations I would never participate in them but Walter H. Jones handled all negotiation with Mr. Serratelli and would report back to me, as I didn't want to --

Q Well, this was after Covlick had left your employment. A No. That was before Covlick had come and after.

Q And after. Well, during the time Covlick was there -- A He didn't actually do anything. He was only with me a matter of, I think, about three months; and it just didn't work out.

Q And the relationship did not prove successful. A Well, he didn't have any occasion to do anything and he didn't do anything.

Q But as originally planned, he had no reason to go soliciting dumps. A He had a reason and he had an inducement to do it but he didn't do it.

Q Well, that wasn't the principal reason why you engaged him, was it? A Yes, it was.

Q Well, how would you characterize his looks?

A I characterized him once before as looking like Tony Galento.

Q And did you also say at one time that this was one of the reasons why you hired him? A I may have in a jesting way said that. I don't think I said that, though.

Q In other words, You didn't hire him because he was the smooth, good-looking salesman type in soliciting business. Did you? A Well --

SENATOR JONES: Tony Galento may object to all this.

THE WITNESS: He may be a good salesman, too. I don't know.

SENATOR JONES: I don't think you ought to proceed along those lines. I think you should find out whether the man was strong and capable of being used for the purposes suggested.

Q Did you know what his background was?

A At that time?

Q Yes. A Definitely not.

Q At that time, you say, definitely not? A That's right.

Q And you want that to stay on the record, without any change.

A To the best of my recollection, yes. You mean as far as any criminal record, you're referring to?

Q As far as his background goes. A Well, I mean he professed to know all about everything.

Q Well, what were his selling points? what did he profess to know? what were the reasons why you thought you

would like to hire him?

A Well, I don't

recall how I characterized it before but he, I think, had been connected with trucking; I think he had been connected with several other things that I don't know. I think he may or may not have been in the labor movement. I'm not sure at this time any more.

BY SENATOR JONES:

Q Well, let's do it this way, Mr. Lippman: You employed a man by the name of Phillip Covlick. Right?

A Right.

Q Now, we know how you got Mrs. Serratelli, how did you get Mr. Covlick.

A He was recommended by a

friend of mine.

Q Who was that?

A Mrs. Shapiro.

Q Your partner.

A That's right.

Q I mean your partner within a corporate framework.

A Right.

Q Shapiro knew him?

A I don't think he

knew him, she knew him.

Q She knew him. She's the one that made the recommendation. You don't know how she came in contact with him?

A I think he used to live in Newark years ago and I think she lived in Newark years ago. That's the only thing.

Q You knew his business in Newark years ago too, didn't you?

A No, I didn't.

Q When did you find it out?

A I still

don't know.

Q You still don't know.

A That's right.

Q Well, when you hired him, didn't you ask him what his employment background was?

A No.

Q What did you pay him per week?  
it was \$400 a month.

A I think

Q \$400 a month. And you didn't ask him what his previous employment was?

A No.

Q How old was he?  
below 50.

A I'd say somewhere

Q And you didn't know anything about his employment capacity? In other words, you didn't know where he was employed last and you didn't know what he was employed as last.

A I still don't know.

Q You still don't know. Now, this is the second time this has happened in the operation of your business, that you put people on and you know nothing about their experience or employment background or their employers, and you put them on in the middle fifties, or so, or in their fifties, which means that they had a long record in the past of some ability to be employed. Now, is this usual in your business?

A I've got a man in my employ today and if you asked me under oath what his previous experience is, I can't tell you.

Q You can't tell me. So that's three then. How much do you pay him a week?

A He is paid so much a month,

a very nominal amount. He is incapacitated and his earnings are, oh, around a hundred dollars, I guess, a month.

Q A hundred a month.

A That's right.

Maybe more or less, you can't hold me to it because I haven't seen the record.

BY MR. GROSS:

Q Mr. Lippman, did you have any relationship or have you had any relationship with Metropolitan Tire Company?

A Yes.

Q And when did that relationship start?

A I can't give you the date of it but --

Q About when? A -- I know the transaction. I remember I was in Mexico --

Q Did you say you know "the" transaction?

A The transaction.

Q You had one transaction? A That's right.

SENATOR JONES: Let's take a five minute recess. Mr. Lippman, I'm sure, will appreciate it as will everybody else.

(After recess)

BY MR. GROSS:

Q Mr. Lippman, just to finish up with Covlick, when Mrs. Shapiro recommended this man Covlick, did she say exactly why or what his experience was? A No.

Q When you originally spoke to him and he gave his background to you and told you what his qualifications were, what did he actually say about his background?

A I don't recall that he spelled out his qualifications. I had confidence in Mrs. Shapiro's knowledge of him and, right or wrong, I accepted her judgment to a very large extent.

Q Well, the function of this man's employment, as you said, was to be a buffer between you and the Union, specifically between you and Mr. Serratelli. Now, in that connection, did

he make known to you any qualifications? that is, with respect to his background and association with other individuals?

A With individuals, no. I vaguely have the feeling that it was spelled out that not only could he do the job for which I nominally hired him but that he also had enough experience that he could take a load off of my shoulders and whoever else I had in negotiations of any kind, present or future, with labor.

Q Well, you say you have since found out about his background.

A That's right.

Q Have you found out about his associations as set forth in police records consisting of, in particular, associations with Bugsy Siegel?

A No.

Q Henry Teitelbaum, and the like?

A No.

Maybe I didn't clarify that, Mr. Gross. The only thing I did ascertain at a later date was that he did have a record which wasn't satisfactory to me. That's as far as I can say.

I don't know the details and this is the first time I heard those names in connection with him.

BY SENATOR JONES:

Q Now, Mr. Lippman, we've only got a few minutes to go and I would like to ask you some questions, departing from this line of questioning that we've been through. Is it your understanding that John V. Serratelli is in the garbage business on his own?

A Is it my understanding?

Q Yes.

A From my personal knowledge, I can't say. The only things I can say are what I've heard.

Q Well now, here's one time when I'm going to depart from the general circumstance of hearsay. I'm going to ask you

what you've heard.

A Well, I understand that George Katz is a partner in one or more garbage jobs. And while it wasn't spelled out to me, I understand that he and Serratelli had some business relationship. And that's as near as I ever had it spelled out to me.

Q So, as I understand your testimony then, George Katz - now, what's his business name?  
A What's his what? I'm sorry.

Q What's his business?  
A I think his business now is garbage and tires.

Q Garbage and tires. It used to be tires and now it's garbage and tires. Is that it?  
A That's my understanding.

Q And it's your understanding that Serratelli is in some type of partnership or business association with Katz. Is that right?  
A That's right.

Q Incidentally, when did you see Serratelli last?  
A I think it's at least six months, to the best of my recollection. I would say around that.

Q About six months?  
A Yes.

Q Where did you see him, Mr. Lippman?  
A I saw him at Colonial Inn.

Q You mean at his brother's place? the Colonial Inn in the Monmouth area?  
A That's right.

Q What town is that?  
A That's in Ocean Township.

Q Ocean Township. When did you see him before that?  
A Oh, maybe a month or two prior to that. I don't know when.

Q Was he aware then that this and other investigations were in progress? to your knowledge? A Oh, he was aware. Now, I was just trying to place the date that I saw him, whether it was before or after the testimony at Elizabeth. It was somewhere about that time. I'm trying to place whether before or after. I don't recall.

Q What did he have to say? A Nothing in particular.

Q He didn't make any requests upon you? A No, sir.

Q You didn't talk about the investigation at all? A No, sir.

Q Did he talk about his future plans to you? A No.

Q Do you know where he is now? A I haven't the remotest idea.

Q Do you have any contracts expiring? A Have I any expiring? I've got one expiring tomorrow.

Q Tomorrow. Well, then you are in Union negotiations, aren't you? A No. This job I had subcontracted out to another contractor. So I didn't furnish the labor on that job.

Q Well, are you aware of the fact that he's unavailable so far? A I heard it from one of your representatives here.

Q Have you tried to reach him? A No, sir.

Q And he hasn't tried to reach you? A No, sir.

Q And you don't know where he is. A No.



SENATOR JONES: All right, I think we can close the hearing for today. These proceedings will stand adjourned until Tuesday morning at 10:30. Mr. Lippman, you will come back. Mr. Frank Miele, you will come back.

MR. LIPPMAN: Senator, is Tuesday the 3d? I'm under subpoena to the Essex County Grand Jury.

SENATOR JONES: Then we will have to make some adjustment with the Essex County Grand Jury. You will be advised, Mr. Lippman. I think, unless you hear from us to the contrary, you should expect to return here.

MR. LIPPMAN: It will be your responsibility, then?

SENATOR JONES: Yes. We'll accept the responsibility.

MR. MIELE: Senator Jones, do you mean Frank Miele, Jr., or Senior?

SENATOR JONES: I mean Frank Miele, Sr.

(Hearing adjourned)